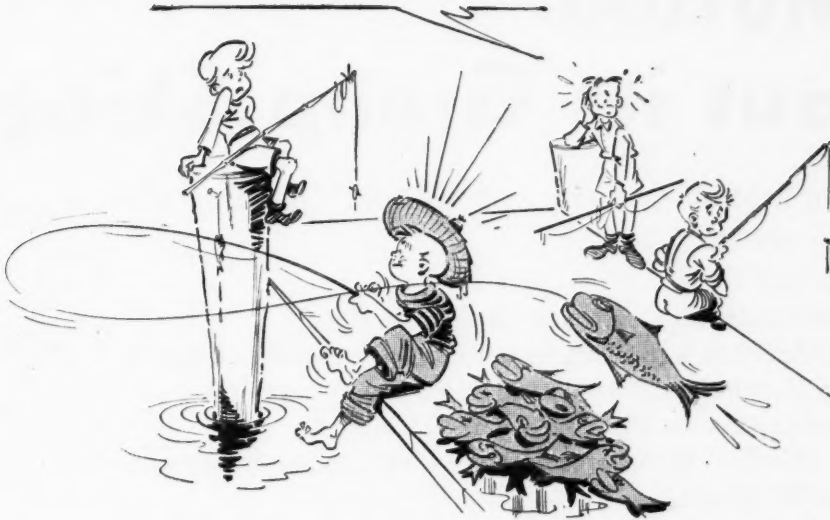


The NATIONAL UNDERWRITER

Life Insurance Edition

WHAT'S HE GOT THAT WE AIN'T?



- ❑ When a gang of kids goes fishing, and one of them consistently pulls in more fish than the others there must be a very definite reason.
- ❑ When one life insurance company shows phenomenal production gains, as compared with other companies, there must be a reason, too.
- ❑ Last year of all companies with over \$100,000,000 of insurance in force, only three showed a greater percentage gain in Ordinary than the Franklin Life. And in actual dollar volume gain, the Franklin stood in fifteenth place among all 463 companies with an increase of \$82,478,156.
- ❑ While the Company prospered, our agency representatives prospered, too, the top hundred averaging \$12,645.67 in commission earnings. The top 35 averaged \$19,117.38. And the top 10 averaged \$27,462.77.
- ❑ There is no secret about the reasons: Unusually salable and exclusive policy forms; constant and genuine home office co-operation with the field; generous commission schedules which make for contentment.



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

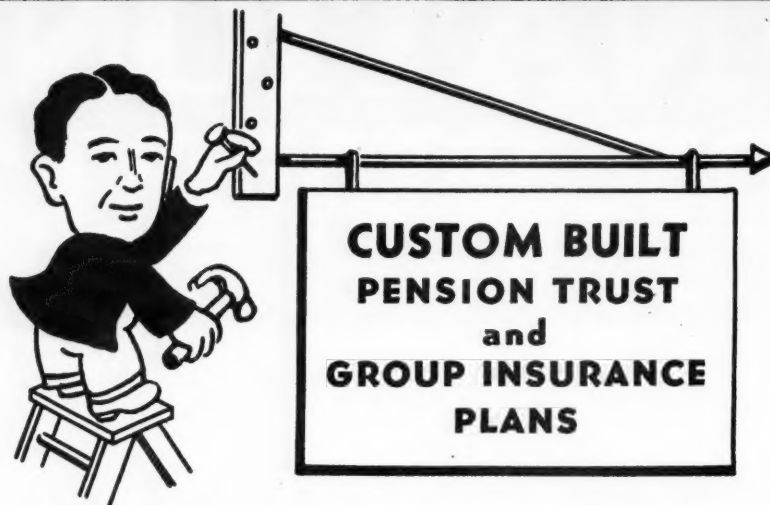
SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$395,000,000.00 Insurance in Force.

FRIDAY, AUGUST 9, 1946



STATE MUTUAL Hangs out its Group Shingle

Going into the Group field all over this 102-year-old Company offers a complete portfolio of Group Coverage.

- Group Life
- Group Accidental Death and Dismemberment
- Group Accident and Sickness (with dismemberment feature)
- Group Hospitalization for Employees and Dependents
- Group Surgical for Employees and Dependents
- Group Medical Reimbursement for Employees and Dependents
- Group Wholesale
- Group Annuities
- Group Permanent

Protection and Retirement prescriptions to fit every diagnosis.

- Streamlined Accounting
- Liberal Underwriting
- Rapid Claim Service
- Counselor Service in Construction of Plans
- Home Office Representatives in key areas

This old Company with a youthful outlook welcomes your inquiries on pension trust and group cases. For swift, friendly, helpful service, get in touch with any of our 57 General Agencies or contact our Home Office Group Department direct.

STATE · MUTUAL · LIFE
Assurance Company
OF WORCESTER, MASSACHUSETTS

CHARTERED 1844 · NOW IN ITS SECOND CENTURY

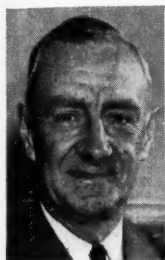


Bill Thurman Now Mutual Benefit Agency Chief

**Palmer Superintendent of
Agencies; Kenagy to New
Post; Jones Advanced**

In a series of sweeping moves, the directors of Mutual Benefit Life have reorganized the agency department and made other executive changes placing young men in key positions.

Herbert G. Kenagy, formerly superintendent of agencies, has been elected vice-president to head a department of public and policyholder relationships and certain phases of personnel, and



H. G. Kenagy



Bill C. Thurman

will no longer be connected with the agency department.

Bill C. Thurman, formerly associate superintendent of agencies, is named second vice-president, with general supervision of the agency department.

H. Bruce Palmer, the former general agent at Flint, Mich., and most recently executive assistant in the home office, has been made superintendent of agencies.

In the mathematical department, Harry W. Jones, mathematician since last January, has been elected a vice-president. James R. Trimble continues as mathematician.

Career of Kenagy

Mr. Kenagy became superintendent of agencies in 1936, after eight years' service with the Sales Research Bureau. He is a graduate of University of Missouri and later, specializing in economics and social psychology, obtained his M.A. degree at University of Minnesota. Following service overseas in the first war, he accepted a fellowship in applied psychology at the Carnegie Institute of Technology, and after serving as a part-time instructor in economics and as research assistant, he became assistant manager of the bureau of personnel research of the Institute. The bureau had a number of life insurance companies in its membership and was the forerunner of the Research Bureau. He remained at Carnegie until 1923, when he was called to develop a department of sales and personnel research for the Procter & Gamble Co. at Cincinnati. In 1925 he became director of personnel research and training for Armour & Co., Chicago, and held that position until he joined the staff of the bureau in 1927.

Mr. Thurman, who is 49, was named associate superintendent of agencies earlier this year, following seven years' service as assistant superintendent. He

(CONTINUED ON PAGE 22)

Bill Liberalizing NSLI Provisions Becomes Law

**Disability, Lump Sum,
Endowments, Beneficiary
Latitude Allowed Vets**

When the president signed the congressional amendments to the National Service Life Insurance Act it meant that NSLI was liberalized to allow the veteran his choice of three endowments in addition to previously authorized forms; the right to name anyone his beneficiary and to elect lump sum payment, and the advantage of total disability cover.

The amendments provide for 20 year endowment, endowment at age 60 and endowment at age 65. This is in addition to the permanent policies previously provided which are ordinary life, 20 payment life and 30 payment life.

The bill provides that veterans who have converted term insurance to one of the previously authorized plans are permitted to change to one of the endowment plans.

Beneficiary Restriction Removed

Whereas the insured formerly was permitted to designate only those beneficiaries who were near relatives, he may now designate any person or persons, a corporation or his estate as beneficiary from his NSLI policy.

The amendments provide an option under which the insured may elect to have his insurance paid in single lump sum to beneficiaries or payments in equal monthly installments ranging from 36 to 240 months. The only methods previously provided were monthly income or annuity payments for a guaranteed period of 120 months or as a refund life income in equal monthly installments with guarantee that face value would be repaid. These forms of payment are still available.

Veterans may now add total disability to any form of NSLI including term. To do this the insured must meet specified health requirements and pay an extra premium. Insured must be totally disabled for at least six months. Payments are at the rate of \$5 per month for each \$1,000 of insurance and are payable for as long as the disability exists. The life insurance itself is not affected by these payments.

New Insurance Application

The amendments allow any person who served in the armed forces between Oct. 8, 1940, and Sept. 2, 1945, to apply for new NSLI in any amount up to \$10,000. The previous provision limited all veterans to the amount they carried while in service. The amendment states that application for new insurance may be filed at any time and will be granted upon proof that the applicant meets the required health standards. Total amount carried may not exceed \$10,000.

Applications for coverage which were rejected solely for health reasons between Oct. 8, 1940, and Sept. 2, 1945, are validated by these amendments in cases where the applicant was killed or totally disabled in line of duty while in service.

There is a provision which includes the right to assign a beneficiary's interest to specified relatives of the insured provided payment of insurance has not started. Present beneficiaries under insurance on which payment started before Sept. 30, 1944, are permitted to select refund life income payments instead of former modes of settlement. Those eligible will be notified of their rights by the VA and will not have to make inquiry. Suits in

**VA Actuaries Ponder
Disability Rates,
Physical Exam Probable**

The VA has drafted regulations for administering the new law, Public Law 589, liberalizing NSLI and has called its advisory actuarial committee into session for consideration of rates to be charged under provision for disability benefits. It is understood that committee made suggestions relative to modifying the rates VA had proposed. This was reportedly the result of Congress including in the new law provision for trial by jury of certain claims.

VA officials say it is contemplated that all applicants for disability benefits will have to undergo a physical examination.

However, under Section 602 of the new law, it was pointed out the disability coverage shall not be denied by VA to an applicant suffering from service-connected disability.

Those obtaining the new coverage will be separated from the general run of NSLI cases and from the functioning of the National Service Life fund. Insurance or benefits on the group thus segregated will be paid for directly out of the Treasury under authorization from Congress.

United States courts are authorized in cases where there is any disagreement over claims.

REDUCE LOAN RATE

Concurrent with the passage of these amendments, the Veterans Administration has announced that interest rates on government life insurance policy loans for veterans of both world wars have been reduced from 5 to 4% annually in keeping with the present trend of interest rates of such loans made by commercial companies. The new rate represents the second reduction within seven years, the first having been made in 1939 when the rate was cut from 6 to 5%. The rate applies to all loans regardless of size.

Approximately 127,000 veterans of both wars have loans of more than \$115 million. It is estimated that the new rate will mean a saving of over \$1 million to them.

Loans may be secured on permanent plans of U. S. government life and NSLI after the policy has been in effect one year. Loan value is 94% of cash value.

In an effort to bring thousands of NSLI policies up-to-date and bolster retention, Congress has also agreed to give former and enlisted men terminal leave pay in the form of government bonds redeemable in five years with 2½% interest a year, which may be used without delay to pay NSLI premiums and conversion into permanent forms.

Dickey Nominated in Okla.

OKLAHOMA CITY—The Democratic state central committee designated D. F. Dickey of Weatherford as its party nominee for insurance commissioner in the November general election. He recently was appointed by Governor Kerr at the suggestion of Roy S. Turner, Democratic gubernatorial nominee, to fill the unexpired term of Jess Read, veteran commissioner, who died. Dickey, who lost an arm in the war, has had little insurance experience.

Name Three More Speakers for Cleveland Rally

**Egenolf, Myrick, Syphus
Are Slated; National Sales
Seminar Is Planned**

Three prominent names in the life business have been added to the list of speakers for the annual convention of the National Assn. of Life Underwriters at Cleveland, Sept. 9-13.

Charles A. Egenolf, district manager for Prudential at New Rochelle, N. Y.; D. L. Myrick, agent Great Southern Life at Lake Charles, La.; and Harry Jay Syphus, general agent Beneficial Life at Salt Lake City are the latest announced speakers.



H. J. Syphus



D. L. Myrick



C. A. Egenolf



F. A. McMaster

In addition to the three main sessions, this year's program will feature a national sales seminar composed of five outstanding agents. This will be staged Wednesday afternoon of convention.

Mr. Egenolf's Career

At the time of the convention, Mr. Egenolf will celebrate his 40th anniversary in the life business, all with Prudential. He started in 1906 at the age of 15 as a district clerk. He was later promoted to cashier and in 1911 entered field work on the debit. In 1913 he was advanced to assistant district manager and six years later became manager at Yorkville. In 1929 he was transferred to the Bronx, became district manager in New Rochelle.

Mr. Egenolf helped organize the Life Underwriters Assn. of Westchester County and is now president.

Record of D. L. Myrick

After several years with Texas Oil companies, D. L. Myrick joined Great Southern Life at Port Arthur, Tex., in 1933. Two years later he was moved to Lake Charles, La.

During his first full year he sold \$461,-

(CONTINUED ON PAGE 20)

Medical Care Plan Not Expected to Hinder Sales

Prepaid medical care, thanks to publicity given the Health Insurance Plan of Greater New York by Mayor William O'Dwyer and former Mayor Fiorella La Guardia, is again in the limelight. The city has earmarked \$500,000 for initial enrollment of 14,000 employees, pending approval by the board of estimate. It is estimated that nearly \$5 million will be needed for enrollment of all city employees earning \$5,000 or less. A membership of 100,000 by year's end is anticipated. Eventually the campaign will be available to employees of all business organizations in the city. Of the eligible business or organization personnel 75% must enroll. Under present law, the minimum size of a group is 25.

The premium is \$29 annually for a single individual, \$58 for a married employee and his wife, and \$87 for employees with families of three or more persons. Although the proportion of these premiums to be paid by the city or private employer has not been fixed, it is hoped that it will approximate 50%. Both the city and many private firms are considering payment of a higher proportion, on a sliding scale, for those with low incomes and for those with large families.

Coverage Comprehensive

Although many prepaid medical care plans are in operation, the program of the Health Insurance Plan of Greater New York is new in the projected scope and quality of its service. The coverage is comprehensive, including in its benefits routine medical services at home, at doctor's offices or in hospitals. Diagnosis, treatment, surgery and all other aspects of medical treatment, including the services of specialists are embraced in the plan, although it does not cover hospitalization. The employee must subscribe to some hospitalization plan, such as Blue Cross, to be eligible. The Health Insurance Plan is a non-profit corporation whose board of directors represent a cross-section of the city's public, labor, business, commercial and industrial organizations. The board is leaning heavily on the services of professional insurance men for the sound development of the plan.

Heretofore, limited coverage has been found more feasible than extensive, and therefore higher cost, coverage in successfully maintaining health plans. According to observers in the insurance business, the ability of the Health Insurance Plan of Greater New York to provide comprehensive coverage depends on the possibility of mass enrollment and the consequent development of a medical and administrative organization with low marginal costs. Fifty groups of doctors have already been formed to provide medical services. These doctors are selected by a medical control board.

The reaction of insurance companies to such plans is that sales of health and accident insurance is made easier for agents rather than more difficult. Because of activity in the field, there is more pressure on employers to participate in group health coverage. And it is impossible to provide such insurance without employer cooperation. Mass sales under employer's supervision make for convenient low cost administration. Whether such plans will ultimately crowd private insurance companies out of the field cannot be foretold, but for the present they seem to stimulate all types of insurance sales covering medical costs. Blue Cross, for instance has been enrolling thousands, but sales of hospitalization coverage by insurance companies continue to increase. A substantial number of individual policies continues to be written. Although the tax situation which stimulated employers to divert money into health insurance is now changed, most are sticking with their plans for the sake of good employee relations.

Expansion Is Found in the Substandard Field

Almost all the smaller and medium sized companies are writing substandard business at least to a certain degree. Some are writing it quite freely and others are more restricted. However, these companies see the necessity of giving their agents all the leeway possible.

Under the present rating system and with greater underwriting experience the mortality on substandard business has been satisfactory. In fact, it has run along in a satisfactory shape and companies have realized savings from mortality.

In the western section a number of companies have made arrangements with Lincoln National Life whose substandard experience is very valuable to act as consultants. Some have been able to get an employee of Lincoln National. In this way the company has a hold on the reinsurance.

Larger Companies Listed

Even some of the larger companies are linked up in a way with Lincoln National by having one of its employees go to the head office for at least part of the time during the year. In this way a company has the advantage of someone to pass on the business immediately. Any excess business is reinsured in the Lincoln National. One company, for example, gives every other substandard risk to Lincoln National in order that the primary company may keep on a sound level and not get topheavy on substandard. A Lincoln National employee keeps a sharp lookout on what is being done and is able to check any tendency to depart from the norm.

Lincoln National is a leader in substandard relationships with other companies and it is getting a large volume of reinsurance business on standard lives because of this association. Business Men's Assurance has become a much more active factor in reinsurance both standard and substandard. This may be attributed to the influence and activity of Vice-president and Actuary R. R. Haffner, who was formerly actuary of the Illinois department and became interested in reinsurance, especially substandard.

American United has been in the field for some time and has built up a fine business. North American Reassurance of New York City is also active in soliciting reinsurance from the smaller and medium sized companies that are branching out in the substandard field.

Have Guide Posts

The companies now know very accurately what course to pursue on substandard in order not to get into trouble. One of the safeguards is keeping the percentage of substandard at a natural point and not get too much of it.

Mutual Benefit Life is the latest of the larger companies to enter the sub-

standard field. The company is broadening its underwriting policy and giving the agents more facilities. The company's underwriting department is well manned and is regarded as sound. Mutual Benefit is not attached to any other company in writing substandard business. It only takes insurance it intends to keep. In fact, the company does not cede or accept reinsurance in ordinary or substandard business. It has formulated a substandard program that it thinks is adequate and safe. Whether it enters the group field remains to be seen.

N. W. Mutual Agents Groups Elect

MILWAUKEE—Newly elected officers of the various organizations of agents of the Northwestern Mutual Life have been announced.

The Northwestern Mutual Association of Agents whose officers previously were announced, named members of a standing committee which will arrange for the next annual meeting. They are: John R. Mage, Los Angeles, chairman; Robert Guy, New York City; Richard Hefter, Chicago; Willard Momen, Boston, and, George Venable, Columbus, Ga.

Northwestern Mutual General Agents Association elected Roger Clark, Pittsburgh, president; A. C. Finkbiner, Philadelphia, zone I vice-president; Charles Eckert, Detroit, zone II vice-president; John R. Mage, zone III vice-president; Ralph Theisen, Denver, secretary-treasurer.

Other Association Officers

District Agents Association named Kenyon Pierce, Elgin, Ill., as president; James F. Lardner, Moline, Ill., vice-president; W. J. Snively, Janesville, Wis., secretary-treasurer.

The Special Agents Association's new president is Henry M. Johnson, Jr., Louisville, Ky.; vice-presidents, Loyd W. Uebele, Chicago, and Alfred C. Duckett, Los Angeles; secretary-treasurer, Ralph Oberndorfer, Milwaukee.

The Northwestern Mutual C.L.U. chapter elected Davis Fluegelman, New York City, as president; Wilbur S. Pratt, Hartford, vice-president; Martin Coona, St. Paul, secretary-treasurer.

Coincident with the change to the CSO basis, Northwestern Mutual will announce a new compensation plan for agents according to Grant L. Hill, vice-president and director of agencies. All present full-time agents, of course, will have the option of taking the new contract or retaining their old ones. No date has been set when the company will change over to the new mortality table and reserve under the Guertin law.

Top L. O. M. A. Students

Some 855 students from 97 companies have taken the 1946 Life Office Management Assn. examinations.

Top honors in course I went to Ethel L. Rusk, Massachusetts Mutual, Baltimore, who completed the course magna cum laude.

Cum laude designates in the same course were Rosemary L. Delap, Business Men's Assurance, and Donald J. Phillips, Scranton Life.

In course II William M. Hamilton, Prudential, took cum laude.

Honorable mention in course I went to Katherine Tinsley, Shenandoah Life; Agnes V. Whitbray, Prudential; Lester B. Hungerford, Lafayette Life; Edward L. Simon, Atlanta Life, and Jeanne M. Bredt, Sun Life.

Course II honorable mention was given to David Cartwright, Minnesota Mutual, and Harry G. Moore, Protected Home Circle.

Conventionitis Is Ahead for September

The insurance newspapers had a surcease from conventions during the war years. Most organizations did not hold a meeting or if so it was on a limited scale. Company conventions were pretty much eliminated. Now they are in full swing again.

The papers have to draw on all their man power to give proper coverage. They must not neglect the regular routine of news that flows through the weekly channel. In addition they are called upon to send men to a number of conventions.

Take for example, the early days of September. THE NATIONAL UNDERWRITER gets out two editions a week—one devoted to fire, casualty and miscellaneous and the other to life insurance.

The all-industry committee and various insurance commissioners committees will be meeting at Syracuse Sept. 4-7 and this will require the attention of a staff man.

The Michigan Assn. of Insurance Agents will hold its annual convention at Port Huron, Sept. 6-8 and that requires a special representative to be there. Sept. 4-8, The International Assn. of Insurance Counsel holds its meeting at Wernersville, Pa., and the Pennsylvania Assn. of Insurance Agents meeting at Harrisburg Sept. 6-7 requires staff coverage.

Millionaires' Rally

Then from Sept. 4-8 the Million Dollar Round Table of the National Assn. of Life Underwriters will be ensconced at French Lick, Ind., and it will require special attention. Sept. 6-7, Missouri Assn. of Insurance Agents will have its annual meeting at Kansas City.

Sept. 9-10 the Ohio Assn. of Insurance Agents will have its annual meeting at Columbus and on the same dates International Claim Assn. will foregather at Quebec and then will come the National Assn. of Life Underwriters annual meeting at Cleveland, September 9-13. THE NATIONAL UNDERWRITER gets out a daily paper each day during that convention and therefore, some four editorial men must be in attendance.

Sept. 11-13 Alabama Assn. of Insurance Agents will have its annual meeting at Birmingham. Sept. 15-20, the Assn. of Superintendents of Canada will hold its meeting at Halifax. The Illinois Assn. of Insurance Agents will meet Sept. 16-17 at Peoria, the Iowa agents at Cedar Rapids, Sept. 17-18, followed by the National Assn. of Insurance Agents at Denver.

It will thus be seen that THE NATIONAL UNDERWRITER and other weekly insurance newspapers will have to draw on their reserves and call to the colors every man on the staff.

Companies Lose Group Men To Greener Sales Pasture

Testimony to the fact that writing group is immensely profitable these days is the difficulty which companies are having in re-training group representatives from resigning to become personal producers. In a number of instances resigned company representatives, naturally more versed in group than ordinary producers, have been tremendously successful in selling.

Loss of group supervisors and managers is a tremendous handicap to a company because the business requires the services of thoroughly informed company men to install and maintain contracts. Very often it is the company representative who really clinches the sale for the producer. Very few agents or brokers have the time or inclination to become thoroughly enough informed on these coverages to fill the job of a company man.

Outstanding Job



John A. Stevenson, president of Penn Mutual, center, presents a bronze plaque for the outstanding agency job of the year to William H. Nicholls, Jr., general agent at Grand Rapids, who accepted for his agency. At the right is Eric G. Johnson, vice-president.

Study How to Supplement Crosser Bill Benefits

Insurers of R. R. Employees See Some Salvage Possibilities

The Crosser bill, the enactment of which mainly through the skilled maneuvering of Senator Barkley caused dismay to accident and health interests specializing in railroad employee accounts and has intensified the feeling of foreboding of various forms of state insurance plans throughout the accident and health world, is now being studied with a view to determining what sort of coverage the private insurers can now put together that will prove attractive and within the means of railroad employees.

As expected, President Truman promptly signed the bill.

Another enactment a few days later also caused evaporation of a large potential A. & H. market. That was the provision in the amendments to the National Service Life Insurance law permitting veterans to purchase disability insurance as an NSLI rider in the amount of \$5 per month benefit per \$1,000 face amount of government insurance.

The railroad bill originated for the innocent purpose of improving the financial position of the railroad retirement fund. This, it had been generally agreed, was underfunded and the tax rate was insufficient. For the maintenance of this fund, an equal payroll tax is imposed both on employer and employee. Along with provisions for increasing the rate of contribution several liberalizations of benefit were provided that appeared to be reasonable and there were provisions under certain circumstances for surviving dependents and for earlier retirement age under certain circumstances.

Unemployment Features Added

However, there was then hitched on to the bill the radical proposals for amending the railroad unemployment compensation act which is an entirely different statute from the retirement act.

Due to the fact that there was so little unemployment during the war, the railroad unemployment compensation fund has now reached the sum of \$790 million and the interest on the fund is about equal to the annual disbursements under present conditions.

The unemployment compensation system is financed exclusively by a 3% tax on the employer. The employee contributes nothing. The Crosser bill leaves the tax rate for unemployment compensation at the present level, but it provides that in addition to straight unemployment benefits, the employee may receive a maximum of \$25 a week for 26 weeks in any one year when disabled and unable to keep on the job on account of non-vocational accident or sickness. Maternity is specifically included as compensable. The accident and sickness benefits are in the same amounts and for the same duration as the straight unemployment benefits. It will be possible for an employee to receive as much as \$25 a week for 51 weeks in any one year should unemployment ensue when he had recovered from accident or sickness in the 26th week.

The independent actuaries employed by the House committee predict that the combined system as a result of add-

(CONTINUED ON PAGE 23)

Dingman Gives Selection Tips to Field Men

Dr. H. W. Dingman, medical director and vice-president of Continental Assurance, has gotten up for the use of agents of that company a booklet entitled "Underwriting Manual." In the preface Dr. Dingman said that agents think in terms of mortality and disability rather than longevity and health.

"We make advance examination of claims which may logically be expected," he observed. "If we insure 10,000 average persons, age 68, we must prepare according to American men table for 100 deaths within a year. That would be 100% mortality. One hundred and twenty-five deaths would be 125% mortality, 150 deaths 150%, etc.

To appraise the value of a human life thought must be given to heredity, environment and the personal qualities that result therefrom. Hereditary elements are family history and racial history. Environmental factors, habitat, occupation and economic conditions. Personal attributes are ethics, habits, health and physical condition. Physical condition concerns build primarily. Build means height and weight. Height and weight table is the starting point in sizing up a risk."

Dr. Dingman says that the men in the field are partners with those in the office, and hence should have some underwriting information that is not too technical. Dr. Dingman states in his booklet that full discussion of all impairments, infrequent as well as common, appears in "Risk Appraisal" published by The NATIONAL UNDERWRITER. He says in his book that underwriting readings are guides rather than hard and fast rules and are subject to constant revision on basis of experience and judgment.

Group Life for 25 People Is Trend

With several companies now writing group life on a minimum of 25 lives, other companies are considering the same move. There is a great demand for group insurance covering businesses employing from 25 to 50 people. One major company is considering whether it will be possible to satisfy this social pressure without loss by streamlining and standardizing policies to such an extent they may be administered more economically than policies covering larger groups.

Although in 16 states the minimum eligible for this type of coverage is 50, should the practice of writing group life on 25 lives become widespread, the tendency will be to cause other states to lower minimums. Small group insurance would then undoubtedly take the place of much wholesale coverage now in effect. One large company has already gone out of the wholesale field, although without reducing its minimum of 50 for group life.

Although these smaller groups are more costly to handle, the insurers feel that by extension of cover to those in this category a large number of new friends may be won for insurance.

Gottschall Class President

Walter Gottschall, director of agencies for Equitable Society at Chicago, has been elected president of the 68th school in agency management conducted by L. I. A. M. A. at Chicago. Other officers elected are J. Denny Nelson, Hartford, Aetna Life field supervisor, vice-president; W. E. Hoyer, Columbus, O., assistant general agent for the John Hancock, secretary, and Harvey O. Nelson, Chicago general agent for the Equitable of Iowa, treasurer and sergeant-at-arms.

SS Bill Provides Nest Egg for State Cash Sickness Plans

Eight States Could Recover Many Millions Paid as Unemployment Taxes

NEW YORK—An invitation to accept a nest egg from the federal government for the establishment of cash sickness benefit systems by those states where employees are or were formerly taxed for unemployment insurance benefits is included in the social security tax freeze bill, H.R. 7037. The cash sickness inducement was included in a group of amendments tacked on in the Senate after the bill had passed the House. When the bill went back to the House the need for speed apparently forestalled any possible opposition.

The amendment, added at the request of California, provides that a state having a cash sickness benefit plan may recover from the federal government all money paid by any state into the federal unemployment insurance fund to the extent that these arose from taxes on employees' earnings. The California cash sickness benefit plan enacted some months ago provides for the recovery of these funds from the federal government but only for the years 1944 and 1945. They amounted to some \$104 million.

Exceeds California's Request

H.R. 7037 goes considerably beyond what the California law sought, in that it sets no limit as to the years with respect to which contributions by employees may be recovered. If California changes its law to recover all unemployment insurance taxes paid by employees it will retrieve about \$300 million with which to get its plan under way.

One effect of the federal measure would be to hasten the effective date of the California plan's benefit payments. In the absence of recovering the employee contributions for 1944-45 the plan was to start May 21, 1947, one year after current employee contributions had started being diverted from the unemployment fund to the cash sickness fund. Since the California law provides that if the federal fund is recovered benefits will start 90 days later, this would make the payments to sick and injured due some time in November.

Effects on Insurers

From an insurance company standpoint the effect of H.R. 7037 is both good and bad. Because it sweetens the pot of the California plan it is good because there is then less likelihood that the authorities there will decide against privately insured or self-insured plans on the ground that they are impoverishing the state plan through selecting the better risks.

The bad feature is the incentive which the federal measure gives other states which would be eligible for refunds if they enacted the necessary legislation. These state plans might not follow the California pattern, which allows privately insured plans, but might follow Rhode Island, where private plans are effectively frozen out.

New Jersey and Alabama, the only states which currently tax employees for unemployment benefits, could recover nearly \$200 million and about \$23 million, respectively, by passing laws setting up cash sickness benefit plans which called for recovery of unemployment funds by employee taxes. Other states, in which employees are no longer taxed but where they have been taxed in the

(CONTINUED ON PAGE 9)

The Harbor Pilot

Harbor pilots are an even more romantic race than the famous river pilots. You may never see much of the harbor pilot but it is a memorable moment when he comes aboard or when he leaves the ship. He looks important when engaged in his work in the harbor, and he is even more important at home with his family. One of our Southern underwriters on the alert heard past the foghorn of a river pilot's official duties, thought of him as a family man and insured him. There was a high quality persistency rating.

Have you ever thought of a harbor pilot as a prospect? And as you enjoyed this season's peaches and pears and apples, did you bear in mind that there might be some good prospects among the fruit growers? One of our men wrote a \$14,000 case on a fruit farmer, and another found good business with a cattle dealer in the mid-West.

Physicians and surgeons and dentists continue high on our persistency rating list, buying \$5,000 to \$15,000 from our underwriters who work outside the office hours. And architects seem to be making good money again, judging by their good buys in life insurance.

• • •

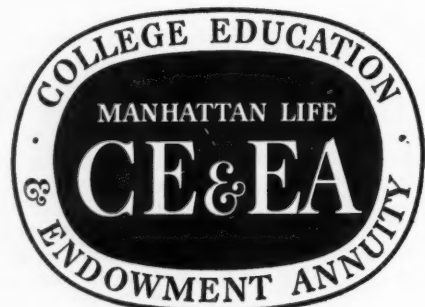
THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

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**INSURANCE IN FORCE NOW OVER
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Dunnavan Suggests Improvements in N.A.L.U. Setup

Writing to H. Kennedy Nickell, Connecticut General, past president of the Chicago Assn. of Life Underwriters, Paul H. Dunnavan, former N.A.L.U. trustee, endorses the Chicago association's stand to bring more producers on the national board through a 50/50 by-law and makes additional suggestions for the improvement of N.A.L.U.



Paul H. Dunnavan

His first criticism is that the present system does not permit, either in theory or practice, the maximum use of talents of newly elected trustees. He further maintains that the permanent staff should be made responsible for much detail now reserved for board meetings and that agendas should be streamlined for matters which should be rightfully considered only by the board in its rather infrequent sessions. He says this is impossible under present by-laws, because of limitations on power of permanent staff to act.

He also said he feels that the rather recent idea of making traveling salesmen out of trustees is responsible for making producers loath to continue as trustees, unless they have political ambitions. He maintains the trustee should keep his personal opinions in the background in solving the many problems before the membership.

Mr. Dunnavan tempers his suggestions by saying that to understand fully the duties, responsibilities and time requirements of the office of trustee, one should serve not one but several terms before he would be fully qualified to discuss the matter. He points out that he served only one term, from 1942 to 1944. Regarding duties of the trustee, he says, "It was and is my belief that the 12 trustees should be elected because of ability and not because of political sagacity or vote getting potentiality. I also believe that once elected each trustee should be assigned duties particularly fitted to his experience and ability. Under the present system, as I knew it, the new president probably meets, for the first time, half of his new board at the convention at which he and they were elected. Then, by mail, within a few weeks, he makes his committee appointments.

"It is not to be expected that the neophyte trustee would be immediately selected to act as chairman of the most important committees, but one would expect that a personal producer, with many years experience in general tax matters, pension plans, etc., might be appointed to serve as a member of the committee dealing in such problems rather than to serve as chairman of an acknowledged defunct committee, namely, conservation, which was my actual first year assignment."

Mr. Dunnavan, who is now Canada Life manager at Minneapolis, goes on to say, "It was my original conception of the board, that its members would use their experience and intelligence in helping N.A.L.U. steer any course which events were dictated sound. I was perfectly willing to attend two or three such meetings a year in an advisory capacity and at my own expense. However, upon attending these meetings, I found an agenda which took from two to three solid days to wade through, much of it pure detail. In most similar organizations, such detail is not allowed to accumulate for six months, awaiting a meeting of a board which has sole power to act, but instead would be disposed of as routine matters by a permanent executive staff which had full power to act. Instead

Cravey Wins Out in Ga. Primary Election for Commissioner

ATLANTA—Z. D. Cravey, who was nominated and thus practically elected in the Georgia primary, will become Georgia's new comptroller general and ex-officio insurance commissioner. He is a native of Milan, Ga., Telfair county, home county of Governor-elect Talmadge. Mr. Cravey is 52 years of age and has a notable record in local and state-wide public life. He formerly was mayor of Milan and a bank cashier there. Later he was tax collector of Telfair county for 14 years, then state game and fish commissioner. Mr. Cravey became director of natural resources of Georgia.

Had Heavy Majority

A highlight in the primary was that Mr. Cravey carried 151 of Georgia's 159 counties; in his home town the vote was 709 to 1 against, and in the adjoining town 258 to 4 in his favor.

He has announced his purpose to do all consistent to advance insurance in Georgia and carefully consider all matters in which insurance is involved.

It is planned for him to assume office when the new state administration is instituted the Tuesday after the second Monday in January. In the meantime W. R. Mitchell, well known insurance executive, who was appointed by Governor Ellis Arnall to fill the unexpired term of the late Homer C. Parker, will continue to fill the position.

B. M. Eiber Is Honored

Mutual Trust Life honored its Brooklyn manager B. M. Eiber, at a luncheon marking the fact that Mr. Eiber's agency led the company on a quota basis for the first six months of 1946 with the record of 254% of his quota; Mr. Eiber personally attained the presidency of the President's Club, Mutual Trust's leading production club, and he was awarded a diploma conferred by L.I.A.M.A. for successfully completing its course in agency management.

The toastmaster was J. B. Hawkins, assistant manager mid-Atlantic division, and the main speaker was A. H. Neil, manager mid-Atlantic division.

Buckley Agency Is Moving

The New England Mutual northern Texas general agency of L. M. Buckley is moving into new, larger quarters in 919 Mercantile Bank building, Dallas, Aug. 26.

the board's meetings are cluttered up with detail, much of which in actual practice is largely decided by reference to the permanent staff in attendance at board meetings, because of their longer tenure of office, knowledge of precedents and familiarity with N.A.L.U. by-laws.

"On the typical board agenda you will find several extremely controversial and policy making items on which mature and sound judgment is needed. I refer particularly to such items as social security, agents' compensation, tax legislation, etc.

"Now, instead of concentrating on the few important and policy making decisions, which, in my opinion, are the real functions of the board, unimportant details consume an undue portion of the time and energy of board members. The result is, that by the time important decisions are required, the sheer physical and mental boredom of such a three day meeting is liable to prevent the proper consideration of important matters."

He concludes, "To me, it is the problem of inducing enough high caliber personal producers to serve for a long period of time under the existing system, or of improving the system. The former should help the latter and both do a better job for agents.

"I therefore believe that the policy adopted by the Chicago board will help to bring this about."

SCHOOL DAYS FOR MANAGERS

L.I.A.M.A. Course Treats Job's Many Facets

One of the oldest, most important and most comprehensive of the various training schools which exist today in the industry are the schools in agency management conducted by Life Insurance Agency Management Assn. which were founded back in 1925 upon the then revolutionary principle that the job of a manager called for men who were more than just successful salesmen and in order to improve the efficiency level of the agents, somebody had to train the trainers.

The agency management schools were founded in 1922 by the late Winslow Russell of the Life Insurance Sales Research Bureau now incorporated into the L.I.A.M.A., purpose of which was to pool research activities and the most successful operating methods for the betterment of the industry. The more research the bureau did into sales and training, the more it realized that most local managers were appointed primarily because they had been successful salesmen. The companies were placing local offices in charge of men who had little or no training in selecting, teaching and stimulating the group of salesmen under them. In many cases, the manager had little or no conception of what his job involved.

By a continuing job analysis, the Bureau accumulated information on the job of the manager, distributing this material to member companies. The next step was a series of four day schools for managers, sponsored by the Bureau between 1925 and 1929. These schools had several drawbacks. In the first place, four days meant that the lecturer had to do all the talking, allowing little or no time for questions or discussions of individual problems. Secondly, it became apparent that the school would be more effective if managers could include project work as well and learn by doing.

Lengthened in 1929

Consequently, the schools and agency management were lengthened in 1929 from four days to two weeks. Learning by doing has been a part of the curriculum ever since and the students are given personal projects to complete during a two week course. The basic framework has applied to every school since 1929, 68 of them in all. It is estimated one out of every six agency managers, as well as hundreds of home office training executives, have taken the course.

As discussed during the pair of weeks, the job of the agency manager is split into two parts. First of all, he is reminded he is the business head of his agency and as such has the responsibility for efficient organization. He receives practical suggestions and plans regarding the cost of profit factors affecting business and he also makes a careful analysis of these factors within one particular agency as his assigned project. At the same time, he indicates in writing what steps he would take to cut down unnecessary costs and in what ways the agency's business can be increased.

The greatest amount of time is spent on consideration of the manager's duties and responsibilities as the sales head of the agency. In the lectures, the student is reminded of ways in which his staff can be improved by retraining, by instilling good work habits, by motivating through personal leadership and by setting a worthy example. Theory is not enough, though, for home work the agency manager is invited to make a written example of his present staff, man by man, and to put down his own recommendations for improvements.

Discussion turns to the manager's problems in recruiting and training new men. The job of obtaining, financing, inducting and training is treated in detail.

The L.I.A.M.A. curriculum is never static, changing constantly from class to

class as new methods and techniques of managements are developed. Many points brought up during general discussions by students in the course are incorporated into the lecture notes if they are novel and workable. The best current examples of such changes in the course were a direct result of the war. The best features of job instruction training under the program of the War Manpower Commission were combined with similar training in the L.I.A.M.A. course, affording students a practical demonstration of effective job breakdown and instruction in action.

To make sure that managers don't take notes on 50 hours of lectures and then forget them, they are required to write a 10 minute review each night covering the previous day's lectures. This resume is given each morning by a student chosen by lot from the class.

The school staff represents a broad

cross section of experience in life insurance; three members are chartered life underwriters, two are actuarial fellows and all are consultants to member companies.

Analysis of enrollment figures for six years from 1941 to 1946, reveals that 1,463 men attended the 26 two week courses. Size of the average school was 56 men, the top enrollment for a single session being 75. In 1946, schools were unable to accommodate a sizable waiting list. Representation at the schools is usually divided with about 80% managers and the rest home office executives. L.I.A.M.A. plans several extra schools for 1947 and enrollment may well double that of the largest year to date.

OK's Northern Mutual Deal

The Illinois department has now given its formal approval to the reinsurance of Northern Mutual Casualty of Chicago by Bankers Life & Casualty of the same city. By way of giving Northern Mutual policyholders their share of the surplus, Bankers L. & C. is increasing by 50% the benefits payable to continuing policyholders. The dissenting policyholders will receive a cash settlement, but there were very few that

elected not to continue their insurance with Bankers L. & C. The amount of the distribution to the dissenting group will be determined on the basis of an examination of Northern Mutual that will be conducted by the Illinois department.

Denver Safety Resolutions

The Denver Underwriters Safety Council has adopted a resolution to be submitted to the officers of the city and county of Denver offering recommendations for the improvement in traffic control. This is the result of six months' work by a committee which made a survey and analysis of traffic conditions with particular reference to the cause of traffic fatalities. Underwriters Safety Council is composed of representatives of the Mountain Field Club; Denver Assn. of Insurance Agents; Mountain States Surety & Casualty Assn.; Accident and Health Underwriters; Life Agency Managers Assn.; Life Underwriters Assn.; Denver Claim Mens Association and Claim Managers Council.

Vaught Named at Kokomo

Verne Vaught has been named district agent for seven counties near Kokomo, Ind., by Franklin Life.

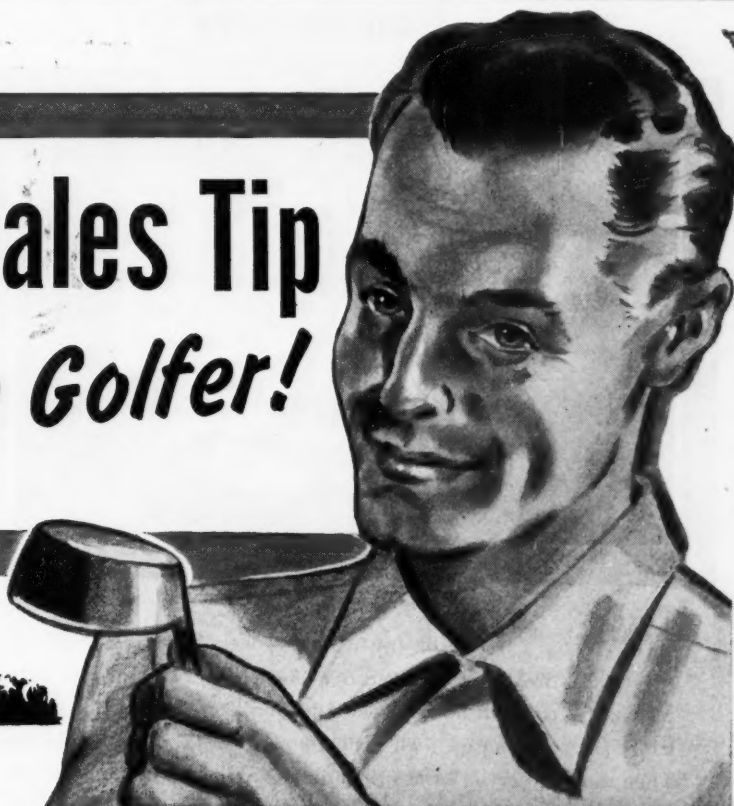
Take a Sales Tip From the Golfer!



Count the clubs in the top-notch golfer's bag—you'll find all the tournament rules allow. Why? Because every shot—every lie, presents a different situation—creates a new need. He knows he needs all the tools it takes to win.

So, take a sales tip from the golfer. For par sales performance—for a perfect approach to greater production, increased earnings, pack your sales kit with all the modern tools to serve your clients' needs. Multiple Lines are the answer.

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SALARY SAVINGS
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Annual—Single Premium
Immediate & Deferred
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PENSION TRUSTS
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GROUP
Comprehensive Coverage
•
COMM. ACCIDENT & HEALTH
Hospitalization

Unique Baseball Contest Boosts Ill. Bankers Life Sales

Illinois Bankers Life employed a unique baseball campaign during July to honor its President E. H. Henning. The campaigning agents reaped a gain of more than 300% of new business over the same month a year ago by writing a volume of more than two million dollars.

The agency department divided the entire agency force into two baseball teams, the Green Sox and the Pink Sox. Captain of the Green Sox was Harvey Thorsen, Des Moines supervisor, and of the Pink Sox, Fred Adams, supervisor at Columbus, O. Henry G. Johnson, agency secretary, was umpire in the unique contest.

July was divided into nine innings,

each of which contained three working days with the exception of the ninth inning which embraced the two final days of the month. Each thousand dollars of new insurance constituted a hit as did each \$30 of A. & H. premiums. A score for either team was attained by producing \$100,000 of life business or \$3,000 of accident and health. At the close of the campaign, the score stood 18 to 18.

Second Babe Ruth

Frequent bulletins utilizing familiar baseball terminology were issued to all the players on both teams. No prizes were given but the players were honored by being listed as stars or as major leaguers, or when they failed to make hits, were referred to as bush leaguers. Frequent comparison of the stars was made with baseball greats.

Box scores showing the progress of the teams on appropriately colored paper were sent out by the umpire promptly at the close of each inning.

THE EXTRA MAN IN YOUR ORGANIZATION



To be of any use to brokers, a service must be practical. Brokers like Connecticut General service for just that reason. It comes from men who know brokers' and clients' problems . . . from men who know how to work with the broker. Then too, this service brings the broad facilities of the Connecticut General organization for handling all forms of life, accident, health and retirement plans, both individual and group, to meet personal or business needs . . . and also the consultation service of Connecticut General's Advisory Bureau.

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BETTER SERVICE
THROUGH BETTER MEN
LIFE INSURANCE, ACCIDENT AND
HEALTH INSURANCE, SALARY
ALLOTMENT INSURANCE AND AN-
NUITIES, ALL FORMS OF GROUP
INSURANCE AND GROUP ANNUITIES

C.C.C. Consummates Big Loan with Equitable

Commercial Credit Co. has consummated a privately arranged unsecured loan of \$35 million from Equitable Society for a period of five years with interest at 1 1/2%.

C. C. C. states that these funds will supplement its established lines of credit with banks now totaling over \$240 million. As C. C. C. Co's borrowing requirements expand it is expected that these credit lines will be increased.

Ore. Votes on Townsend Plan

Oregon voters will vote on a Townsend plan proposal in November. Secretary of State Farrell announces that sufficient signatures of qualified voters have been secured to place an initiative measure on the ballot.

The proposal would impose a 3% gross income tax on all types of income (before deducting any expenses) to finance a monthly pension of not to exceed \$100 per person. The levy would be imposed monthly beginning July, 1947, and pension payments would start Oct. 1, 1947. Those eligible to receive pensions would be qualified residents over 60 years of age and persons over 18 years of age if totally and permanently disabled.

Pipkin Wins in Primary

MEMPHIS—Perry Pipkin, of the A. E. Pipkin & Sons agency was renominated in the August Democratic primary (tantamount to election in Tennessee) for the state senate, which meets in January. He was chairman of the insurance committee in the 1945 senate.

Dineen A. L. C. Speaker Oct. 9

Robert E. Dineen, superintendent of insurance in New York, will be one of the toplineers at the annual meeting of the American Life Convention at the Edgewater Beach hotel in Chicago. He is billed to appear on the program Oct. 9. He is president of the National Association of Insurance Commissioners.

At the A. L. C. meeting Monday, Oct. 7, the Legal and Financial Sections will hold forth; on Tuesday there will be further meetings of these two sections and of the Industrial Section.

On Wednesday will be held general sessions; on Thursday, there will be an Agency Section meeting and a general session and on Friday a general session.

Portland, Ore., Agents' Record

PORTLAND, ORE.—The Portland office of Sun Life of Canada established a new monthly record of \$525,000 in new insurance sales in the final months of the production year which closed July 12. A. M. Weaver is branch manager.

Seven members of the Oregon branch qualified as members for the company's honor club: S. L. Johnson, Salem; E. V. Creed, Freda Jane Puoli, Henry McCall, Jr., and Milton Freidenrich, Portland; A. Lee, district supervisor, Klamath Falls, and Ed Johnson, Salem.

Lee was leader in the final month, with a production total exceeding \$125,000. They have been invited to the company's first post-agency conference at Murray Bay, Quebec, Sept. 15-21.

Agent Davison Wins Honors

Arthur W. Davison, who has been with the Newark agency of Penn Mutual less than a year, has been nominated as "honor agent" and elected president and vice-president of the agency's "Leader's Club." He has qualified for seven consecutive months for the company's "Leader's Club."

Campaign to Honor Adams

The General Agency Managers Committee of Ohio State Life at a meeting in Columbus this week decided to put on a campaign in September and October in honor of President Claris Adams. R. G. Leuzinger of Columbus is chairman and J. Earl Pullen, Toledo, is secretary. Others on the committee are Robert Horne, Mansfield; J. C. McFarland, Cincinnati, and Robert Patterson, Akron.

Stamm Agents Win Awards

Thirteen members of the Stamm general agency of Northwestern Mutual in Milwaukee have been awarded the National Quality Award certificate. They are: Warren Clark, Ray Collins, Fred Easton, Henry Fuller, Hibbard Greene, William Hewitt, Stephen Klarer, Ralph Oberndorfer, Herbert Schwahn, Westley Tuttle, Burton Cardiff and Lester Wilbert.



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U. S. Hits N. Y. Mortgage Pact

NEW YORK—The Mortgage Conference of New York, composed of life companies and banks, has been charged by the anti trust division of the Justice Department with conspiracy to control mortgage loans and interest rates and with balking new constructions in certain areas where its existing loans might be jeopardized. A civil suit asks dissolution of the conference and individual injunctions against each of the 37 members. The suit charges that the groups involved used their alleged control of mortgage credit to exclude from some areas certain racial and national groups by refusing to lend on properties in sections where those groups predominate.

The complaint states that some 60% of the total new first mortgages on multiple dwellings, office buildings and industrial and commercial structures in 1945 was handled by members of the conference. The Justice Department's action was instituted on recommendation of a federal grand jury made in closed session Monday. There was no indictment but the jury approved a civil suit to "correct the conditions found to exist" by the grand jury. The complaint said the defendants conspired to enforce uniform policies designed to maintain high rents.

Life companies listed as defendants are Aetna Life, New England Mutual, Prudential, Union Central, Canada Life, Guardian Life, Home Life, Mutual Life and New York Life, other defendants are mostly New York City savings banks but some of the largest commercial banks are also on the list.

President Enters Denial

President Harold Rutan of the conference denied the accusations, pointing out that the state banking department has repeatedly urged the banks, particularly the savings banks, to cooperate so as to avoid unwise and imprudent mortgage investments. He said the suit raised the question whether fiduciary institutions cooperating to improve mortgage lending practices exclusively in New York fall within the provisions of the anti trust act.

Members of the conference, he said, have many millions of dollars invested in mortgages on properties tenanted by Negroes and are continuing to make such loans. They have commitments outstanding on a housing project in Harlem estimated to cost more than \$9 million. He said it is, therefore, not true that members have discouraged investments in properties owned or occupied by particular racial groups.

The Department of Justice said it seeks injunction against Mortgage Conference members from exchanging information, reporting mortgage commitments to each other, fixing interest rates and terms on mortgage loans, establishing uniform appraisals of properties, effecting racial or social group segregation in New York, and restricting or limiting erection of new structures there.

Attorney General Clark said the government complaint charges their association with eliminating competition among defendants on mortgage loans over \$10,000 on properties in the New York metropolitan area, to stabilize the real estate market in that area, etc.

NEWS BRIEFS

UTICA—Anthony Peters has been elected president, succeeding Bart J. Scanlon. Vice president is John Slimm; secretary, Donald F. McBride, and national committeeman, Frank Wenner. Membership is at a peak of 150.

Twelve agents of the E. E. Waller agency, Oklahoma City, Okla., will attend an educational conference at the Mutual Life home office late this month. The agency showed a 122% increase to July over last year.

The National Fraternal Congress has approved the application for membership of the Russian Brotherhood Organization of Philadelphia.

Home Office Underwriters Admit Three Companies

The Institute of Home Office Underwriters has admitted the following companies to membership: Liberty Life, Grady M. Hipp, executive vice-president; Security Mutual, William H. Harrison, underwriting secretary, Aid Association for Lutherans; Oscar G. Schirm, manager underwriting department. Membership now includes 150 companies.

Plans are progressing for the annual meeting at Edgewater Park, Miss., Oct. 9. Charles J. Smith, assistant secretary

of the Pan-American Life, is general chairman.

Study Effect of Lobby Law

WASHINGTON — Will representatives here of insurance industry organizations come within the provisions of the congressional reorganization law requiring registration of lobbyists? This question is being looked into, it is understood.

The law requires lobbyists to register at the Capitol and furnish information about whom or what they represent, in connection with what matters, how much compensation the lobbyist re-

ceives, who he wants to see in Congress, about what, etc.

Some authorities claim that trade association representatives do not come within the purview of this requirement; others think they may. Some suggest that trade press representatives may be required to register under the law, presumably on the theory they represent the interest of the industry to which their publications cater. There has been no authoritative interpretation of the law.

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Summer Soon Over for Industry and N.A.I.C. Groups

The executive committee of the National Assn. of Insurance Commissioners has scheduled a meeting for the Hotel Syracuse at Syracuse, N. Y., for Sept. 4 for the principal purpose of deciding upon a successor to the late Jess G. Read as N.A.I.C. secretary. Commissioner Larson of Florida, chairman of the executive committee, was in New York conferring with Superintendent Dineen who is N.A.I.C. president.

There will be a meeting Sept. 5-7 of the N.A.I.C. committee on federal legislation and rates and rating organizations of which Harrington of Massachusetts is chairman.

The all-industry committee will meet at the same place Sept. 4-6. The group will receive and discuss the reports of the conference-coordinating committee and the subcommittees on the Sherman, Clayton, federal trade commission and Robinson-Patman acts.

In selecting a successor to Commissioner Read as secretary-treasurer, it is believed that the appointment will be a temporary one, the appointee serving until the proposed central office plan can

be gotten under way. The setting up of a central office is the other major topic scheduled for discussion.

The death of Jess Read, who was N.A.I.C. secretary, came just at the time when the idea of providing a permanent headquarters organization for the commissioners was being seriously considered. So long as Mr. Read was alive and held office, that program could not be put over.

Numerous Candidates

There are a number of insurance commissioners, whose official future is uncertain that would be very receptive to appointment as a permanent paid secretary of N.A.I.C.

Opinion, both among the commissioners and on the part of industry people, is divided on the question of whether there should be a permanent headquarters. Those who are opposed to such a move refer to the plan as one for setting up a "super government." They predict that if this is done within from five to 10 years, the industry will be so fed up with a highly efficient, onerous system of state supervision that it will go to Washington to plead for federal control. A permanent headquarters office, they say, naturally would go to work collecting rulings and legislation and would circulate these around.

These, they predict, would be very suggestive to the commissioners and there would be a great rash of new rul-

ings, with one commissioner copying another, but introducing some new feature of his own. They contend that the commissioners would become more efficient in enforcing edicts of various kinds and the heavy hand of state government would be laid upon the industry in an intolerable way.

On the other hand there are those that believe that the state government of insurance has to be rendered more efficient, that there must be more cohesion and uniformity and that the only salvation lies in setting up a business-like central office. Particularly do they feel that such a project is necessary in view of the fact that commencing in 1948, probably all of the states will be engaged in rate supervision in the fire and casualty field. It would be important for the commissioners to have a central station for ready exchange of information as to what the others are doing.

Whether the sentiment at the Syracuse meeting will be in favor of taking steps to set up such an organization, or whether the decision will be merely to continue on the voluntary secretarial basis remains to be seen.

In addition to those who fear that a central office of the commissioners would produce too much efficiency and cause the business to be over-regulated, there are those who believe that such a setup carries danger of considerable mischief. The manager or secretary could hardly escape becoming known as an expert and many of the new commissioners and others who have been in office but do not look at things squarely and independently might very well regard every bulletin that they receive from headquarters as being authoritative and immediately put in practice any suggestions emanating therefrom without too much investigation. That is, they might swallow capsules that were sent to them without investigating the ingredients or whether they were applicable to a condition in a particular state.

On the whole, it appears that the majority opinion in fire and casualty circles is against a central headquarters office. In the life insurance field there are some important advocates of such a move, however. They perhaps are thinking primarily in terms of convention examinations and believe that with a central headquarters setup, the examination system might be greatly improved and rendered less costly and burdensome.

McCormack Forces Lead Primary

NASHVILLE—The political backing, led by Agent Ed Crump of Memphis, which has been responsible for the reappointment of Commissioner McCormack for three two-year terms, was assured of continuance in power through 1947-1948 as result of nearly 75,000 majority in the Democratic primary Aug. 1.

Ask Tax Case Rehearing

American Indemnity and Aetna Fire have petitioned the U. S. Supreme Court for a rehearing in connection with the court's recent upholding of the Kansas supreme court's decision that the state's discriminatory premium tax law is valid. The U. S. Supreme Court gave its decision without opinion, merely citing previous week's decisions against Prudential in the South Carolina case. The chance of rehearing being granted is practically infinitesimal, as is usual with such petitions.

American Indemnity and Aetna stressed the fact that the taxes involved had been assessed before PL15 went into effect. They also stressed the argument that the decision was counter to the fourteenth amendment's "equal protection" guarantee rather more strongly than argument that it interfered with interstate commerce.

Elect Conn. Bank Life Officers

Ernest L. Simonds, trustee, Connecticut Savings Bank and former vice-president Southern New England Telephone Company, was elected president of Sav-

ings Banks Life Insurance Fund Trustees of Connecticut.

H. W. Roberts, treasurer Naugatuck Savings Bank, was elected vice-president and G. H. Woods, president Bridgeport-People's Savings Bank, treasurer. J. P. Royston was re-elected secretary and general manager.

Qualify for Presidents' Club

W. Peverall Lowes, Columbus; Alfred Guay, general agent in Los Angeles; and Donald Ham of the Toledo agency of Ohio State Life have qualified for the company's President's Club.

NEWS BRIEFS

L. W. Blanchard, supervising examiner of the Texas department, spoke at a dinner meeting of Life Agency Cashiers Assn. of Indianapolis.

Earl D. Ward, manager of Connecticut General Life, Kansas City, Mo., has moved his agency to the ground floor of the Dwight building, 1006 Baltimore avenue. Mr. Ward plans soon to expand his five-man agency to one of 15 agents.

Beneficial Standard Life has been licensed in Pennsylvania.

National Life, Vt. has been licensed in Arizona.

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PERCENT ARE WRITING
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cannot do so completely.
We believe the group of veterans
is giving so good an
account of themselves for two
reasons:

FIRST, the veteran is in earnest. He is four or five years older than when he last worked. There is little time to lose. He is just married or wishes to marry, so he must make all the money he can.

SECOND, he learned in the service the value of direct action. He sees little point in "coming back in thirty days" or "wait until we close the books." If the plan is right, put it into effect now—direct straightforward.

SOME EXPERIENCES MAY BE THE OPPOSITE, BUT SO FAR AS OUR GROUP IS CONCERNED — EVERYTHING TO THE GOOD!



PAUL SPEICHER
Managing Editor

THE INSURANCE
RESEARCH & REVIEW SERVICE
INDIANAPOLIS



SOME SALIENT FIGURES

There are times when figures have an eloquence requiring no additional comment or explanation. In the belief that this is on of those occasions, we present the following statistics for your consideration:

*Ninety-five companies, representing 85% of the life insurance industry, report six months' sales of ordinary insurance 59% above 1945.

*Commonwealth reports an increase of 125% in such sales.

*For the first six months of this year, our gain of insurance in force is virtually equal to that of the twelve months of 1945.

*As of July 1, we show a gain of 70% in insurance in force in five and one-half years.

This growth is not an accident of the times, but stems from studious planning put into operation under favorable conditions.

Insurance In Force, June 30, 1946—\$287,536,545

COMMONWEALTH
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

Nest Egg for State Cash Sickness Plans

(CONTINUED FROM PAGE 3)

past, are Idaho, Indiana, Kentucky, Louisiana, Massachusetts, and New Hampshire. Massachusetts alone could recover about \$17 million.

Indications of Support

The fact that the amendment providing for recovery of such funds passed Congress with so little trouble is thought to indicate strength of the support for cash sickness benefit plans. With the lure of a free nest egg, it hardly seems possible that the states which are in a position to start their cash sickness plans with free government money will fail to take advantage of the opportunity. In case the pressure is obviously irresistible, it may be that insurance interests will not try to buck the tide but to seek an improved version of the California-type law in order to avoid the Rhode Island variety. The hope is that because under the California law employers must either insure in the state fund, insure with a private company or self-insure, there will be a widespread stimulation of the sale of privately insured plans. Whether this will happen or not is still in the realm of speculation.

COMPROMISE BILL

WASHINGTON—Shortly before adjournment late last week Congress passed a compromise limited social security revision bill, which will permit accumulated employees' contributions to the unemployment compensation fund for California to be used for payment of sick benefits under the new state health insurance law, according to capitol attaches who were concerned with drafting and passage of the bill.

The social security board had ruled against such disposition of the accumulated fund shortly before the board was abolished and its functions transferred to the federal security agency.

The new social security bill provides for insertion, at two appropriate points in the federal unemployment tax act and at one point in the social security act, of the following language:

"Provided, That an amount equal to the amount of employee payments into the unemployment fund of a state may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration."

Might Apply Elsewhere

This proviso, being general in character, presumably would apply to other states besides California, which either have a cash sick benefit system, such as Rhode Island, or are considering enactment of legislation to authorize one.

The social security bill was passed finally as agreed upon by a joint conference committee of the two Houses. Reporting on it to them, the conference, referring to the Senate amendments, the language of which is quoted above, stated:

"These amendments make three changes in existing law, which would not have been made by the House bill, to permit the withdrawal from the federal unemployment trust fund, for the payment by a state of disability compensation, of any payments which that state may have collected from employees under its unemployment compensation law and deposited in the trust fund, or which it may in the future collect and deposit. To accomplish this, identical provisos are added to sections 1603 (a) and 1607 (f) of the federal unemployment tax act and section 303 (a) (5) of the social security act. The present federal definition of a state unemployment fund will not be affected by the Senate amendments except in the one particular noted. Withdrawals from the trust fund other than those specifi-

cally authorized by the amendments will still be permissible only for the same purpose as in the past. The House recedes."

The House conferees would not accept the Senate amendment to the bill which would have provided for a broad investigation of all phases of social security by the joint committee on internal revenue taxation.

However the Senate will have an investigation of the subject on its own account. This is provided for in Senate resolution 320, that was adopted authorizing the Senate finance committee to set up a social security advisory council to study every aspect of social security,

hold hearings and report recommendations.

Finance Chairman George plans to appoint five specialists from outside the government services to this council. The idea is to select outstanding personalities for the assignment. Appointments are expected this month.

The House agreed to restoration in the law of a provision repeal of which it had voted, authorizing appropriations to the OASI trust fund that may be necessary to finance benefits and payments under the OASI system.

House conferees succeeded in striking out Senate amendment 53, of which the conference report said:

"This amendment, for which there appears no corresponding provision in the House bill, would amend section 22 (b) (2) (B) of the internal revenue code, relating to the taxation of annuities purchased by employers for their employees. The present provisions of this section are to the effect that, in the case of such an annuity contract other than one purchased by an employer under a plan meeting certain requirements prescribed by section 165 and other than one purchased by an employer exempt from the income tax under section 101 (6), if the employee's rights under the contract are nonforfeitable except for the failure to pay premiums, the amount



OUT FROM UNDER THE BUSHEL

It is said that conservatism comes with age; that residence in New England breeds conservatism; and that Life Insurance, by its very nature must and should be conservative. It would seem on the surface that these observations are quite true because we—The Connecticut Mutual—have been asked by our field force time and again, "Why hide your light under a bushel? Why not let it out some time?"

It is a nice light and it has been burning steadily, and brightly, too, for one hundred years now.

We of the Connecticut Mutual know that the Company has not stood still during these past 100 years. We know that it has done and is doing a number of things for the benefit of its agents which make us all proud. For example, we look with pride on the Company's Compensation Plan, for its representatives, its Agent's Pension Plan, its

unique organization known as the Dependables, its excellent Training Course for its representatives, its Limitation on Recruiting, and many others.

Let's take that last item—*Limitation on Recruiting*. Vincent B. Coffin, Connecticut Mutual's Vice President in Charge of Agencies, started this plan for the Company way back in 1939. And to the best of our knowledge we were the first to adopt such a plan. The Plan itself is at least a partial answer to the question of being sure that new men are very carefully selected, and very carefully trained. Each general agent is limited in accordance with his capacity to handle new personnel, to an exact figure. Unusual? Sure. Sound? We truly think so, and so do the G. A.'s. Going to hold us back? We'll bet the reverse.

We're doing it because we think it's good for the business and good for us too. We think it's a pretty strong light to hide under a bushel.



The CONNECTICUT MUTUAL LIFE
INSURANCE COMPANY • HARTFORD



"No wonder he's worried—You with only half enough insurance to complete his education!"

Bankerslifemen Know the Value of an Education

There's no doubt in the mind of Bankerslifemen that education is a very valuable asset . . . for policyowners or for insurance underwriters. They know from experience that good education pays off. That's one reason they can tell the story of educational insurance with such effectiveness.

The increased knowledge of selling and the functions of insurance that the Bankerslifemen acquire through the Company's intensive system of schooling steps up their natural ability to such an extent that they cannot fail to see its value. They're sold on it. This is evident in the way they work.

That's a reason why Bankerslifemen continue studying through the years . . . keep their education in the business up-to-date . . . making them the sort of insurance underwriters you like to meet as friends, fellow workers, or competitors.

BANKERS Life COMPANY

DES MOINES

The Home of Complete Protection

- Life
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- Health
- Annuities
- Hospitalization
- Group
- All-Ways

W. T. GRANT
Chairman of the Board

J. C. HIGDON
President

BUSINESS MEN'S ASSURANCE COMPANY
KANSAS CITY, MISSOURI

Centrally Located Serving the Nation from Coast to Coast

contributed by the employer for such annuity contract is required to be included in the income of the employee in the year in which the amount is contributed. The amendment contained in this section of the bill would add a proviso to the foregoing provision so that amounts contributed by an employer to a trust for the purchase of annuity contracts for the benefit of an employee shall not be included in the income of the employee in the year in which the contribution is made, if the contribution is made pursuant to a written agreement between the employer and the employee, or between the employer and the trustee, prior to October 21, 1942, and if the terms of such agreement entitle the employee to no rights, except with the consent of the trustee, under the annuity contracts other than the right to receive annuity payments. This amendment would become effective with respect to taxable years beginning after Dec. 31, 1938."

Freezes OASI Tax at 1%

The social security bill froze the OASI tax at 1% for 1947 and provided for survivors' insurance benefits under OASI to dependents of veterans who die within three years.

Before passing the bill the Senate had defeated Senator Downey's amendment providing for insertion in the social security system of the Townsend old-age pension plan. In support of this amendment Downey and one or two others spoke. Downey attacked actuarial calculations upon which the OASI and other features of social security are said to be based. He asserted Dr. Townsend "is 20 or 30 years ahead of the actuarial professors here in Washington."

Predicting future economic crises bringing widespread dislocation, Downey said sarcastically:

"And here is a group of men who solemnly assert that by means of this actuarial system they are at this time determining how much workers will be paid 10 or 20 or 30 or 40 or 50 or even 100 years from now... Why should we have this vast and complicated system, these great actuarial tables and these records which are now occupying whole warehouses?"

Downey condemned the Calhoun report on social security to the House ways and means committee. He criticized the social security board which, he indicated, "will attempt to justify" present practices under social security "by claiming that the contributory system produces a social dividend, an insurance policy, which the worker may add to when he wishes."

N. H. and Philadelphia Hold Record for Half Year

New Hampshire showed the greatest rate of increase in ordinary life sales in June, with South Dakota second and Arkansas third, L.I.A.M.A. reports. Countrywide, ordinary business increased 63% in June while New Hampshire sales gained 127%, South Dakota, 99% and Arkansas, 85%.

For the first six months, with national ordinary sales up 59% New Hampshire led with an increase of 81%, with Delaware in second place, up 75% over the corresponding period of last year.

Among the large cities, Chicago, Cleveland, Detroit and St. Louis all tied for the lead in June, each showing a gain of 66%. Philadelphia led for the six months with a gain of 73%. The figures by cities are Boston up 53% in June, up 56% for six months; Chicago, 66% and 53%; Cleveland 66 and 64; Detroit 66 and 66; Los Angeles 57 and 50; New York 56 and 49; Philadelphia 64 and 73; St. Louis 66 and 61.

Mine Operators' Contribution

WASHINGTON—The Coal Mines Administration has instructed operators of soft coal mines to set aside five cents for every net ton of coal produced for use or sale as a contribution to the miners' welfare and retirement fund

set up under contract between Secretary of the Interior J. A. Krug and John L. Lewis, president, United Mine Workers of America. This does not apply to the miners' medical and hospital fund, which is made up of miners' contributions.

The welfare and retirement fund, estimated to reach \$25 to \$30 million a year, will be used for miners' retirement, old-age pensions, and relief of dependents. The fund will be kept intact until its trustees are appointed and an accounting is made to them. One trustee is to be selected by the government, one by the UMW and the third agreed upon between the two.

St. Louis Earnings Tax of 1/4 of 1% Now in Effect

The St. Louis ordinance taxing salaries, wages, commissions and other compensation earned by residents of the city or non-residents through work or services performed in St. Louis, and net profits earned by associations, businesses, etc., similarly, passed the council, was signed by the mayor July 31, and became operative. The tax is 1/4 of 1% on that portion of the net profits earned as a result of work done or services performed and business conducted in the city. It applies to all corporations.

Employers are required to withhold the tax and make return on the 15th of April, July, October and January, and the first return is due Oct. 15, 1946, for the two preceding calendar months. All other taxpayers file on or before March 15 each year or within 75 days after the end of the fiscal year if on a fiscal year basis. Persons receiving only salaries, wages or other compensation on which the tax has been withheld are not required to file a return.

Name 3 Hard Coal Welfare and Health Fund Trustees

WASHINGTON—The new health and welfare funds for anthracite coal miners will be administered by John O'Leary, vice-president, and T. J. Kennedy, secretary-treasurer United Mine Workers of America, and R. L. Birtley, representing the hard coal operators. A meeting of the trio will be held in the near future to begin the task of organization and administration of health and welfare funds. The funds will be built up from assessments upon the mine owners at the rate of 5 cents per ton on coal produced. Location of the trustees' administration office will be Hazleton, Pa.

O'Leary and Kennedy were chosen at a recent meeting of the UMWA international executive board. Birtley was chosen at a meeting of 250 anthracite companies. He is president of the Anthracite Operators Assn. and also president Hammond Coal Co., Girardville, Pa., and Kohinoor Coal Co., West Shenandoah, Pa.

OPA has asked that coal producers report their contributions to the miners' welfare funds. The agency will consider such contributions as an element of cost in coal production.

McDermott, Brosnan Switch Places

John W. McDermott has been named as regional insurance officer for Veterans Administration at Chicago. He had been operating in the same capacity at Indianapolis.

Francis Brosnan who has been the insurance officer at Chicago, takes Mr. McDermott's place at Indianapolis. Mr. Brosnan was formerly with Indianapolis Life.

Mr. McDermott during the war was personal affairs officer in the army air forces. Prior to the war he operated McDermott Co., Inc., an insurance local agency at Olean, N. Y., and he still has an interest in that agency. One time for two years he was in a home office underwriting department of Lincoln National Life and before that he had charge of government life insurance and claims for the coast guard.

May Transplant Purdue Plan in Tex.

A. R. Jaqua, who is director of the school of life insurance marketing at Purdue University that is to be discontinued this fall, was guest of honor at a luncheon at Dallas that was sponsored by a joint committee of Dallas company men and Dallas agency heads. It was revealed at that time that plans are under way to install a program similar to that at Purdue in Southern Methodist University.

Eleven Dallas companies have subscribed to guaranty fund of \$100,000 to be used over a period of five years and necessary facilities have been offered by the university. O. Sam Cummings, Kansas City Life, Dallas, former president N.A.L.U., was chairman at the luncheon meeting and announced that Mr. Jaqua had been urged to accept appointment as a director of such a school.

Mr. Jaqua did not announce his acceptance, although he said he looked with favor on the offer.

Attending the luncheon was Dr. L. H. Fleck, dean of the school of business administration at S. M. U. An expense fund of \$5,000 was raised at the luncheon. Contacts between life insurance and the university would be through an Institute of Life Insurance Marketing that would be organized.

Meet on Wis. Plan Aug. 28

Arrangements have been made by the Wisconsin State Medical Society for a meeting of companies participating in the Wisconsin plan of medical cost cover at the Milwaukee Athletic Club, Aug. 28.

There will be a report of the committee on by-laws for the organization of the association, and a committee report on the advertising and publicity program. The conference committee, meeting July 30, considered increasing the annual income level and providing a more flexible plan for hospitalization.

Characterized since its organization in 1887 by a conservative management that has fostered confidence, Bankers Life of Nebraska has a record of fidelity to the sound principles of life underwriting. Its field force is prospering because of liberal contracts that insure their profit and progress. On these principles we are expanding and growing.



Bankers Life
INSURANCE COMPANY
OF NEBRASKA

This will also be considered at the Aug. 28 meeting.

New Mutual Life Club Officers

In addition to Sam S. Herwitz, Cincinnati, president, the other new officers of the National Field Club of Mutual Life include: Vice-presidents, William K. Young, Rochester; Charles Monteith, Philadelphia; Henry G. Banks, Atlanta; Raymond T. Maurey, Erie; Carl C. Lander, Louisville; Robert P. Goynes, Little Rock; Orlyn N. Robertson, Los Angeles, and Mrs. Daisy G. Hyman, Baltimore.

Honorary vice-presidents are: Jacob W. Shoul, Boston; William E. Steely, Davenport; J. Dudley Miller, Chicago; Emanuel A. Hyman, Baltimore; Victor D. Hollander, New York, and Mrs. Eunice C. Bush, New Orleans.

Salem District Is Leader

The Salem district led the Boston Mutual field organization in the president's campaign on an average per man basis. President Benton presented his trophy to Superintendent J. J. Quinn of the Salem agency staff at a luncheon in Boston. A testimonial scroll was presented to Mr. Benton from all the 32 districts in New England in appreciation of his leadership.

Stein Qualifies as Millionaire

NEWARK—Although in the life insurance field for only 10 months, L. R. Stein of the Horton agency of Home Life in Newark, has become a qualifying member of the Million Dollar Round Table. He was tendered a luncheon by members of the agency in honor of the achievement. He is the company's leading agent throughout the country to date. The agency in the first half of this year wrote more business than in all 1945.

D. I. Rules Are Liberalized

Reserves Loan Life has increased its maximum amount of double indemnity issue to \$50,000, including the amount already owned in all companies. Age limits for double indemnity are now 5 to 60, inclusive, and this feature, for the first time in history, is available for children under 10.

Beneficiary double indemnity is still being considered from \$1,000 to \$10,000.

Rawlings to Reserve Loan Post

Selby M. Rawlings has been appointed to the newly created position of director of training of Reserve Loan Life. He directs the sales training program and is publicity and public relations officer.

He graduated at Duke University in 1930, and then was in the post office department. He later entered insurance serving with various companies including Jefferson Standard for eight years. He is an army veteran.

Lawrence M. Arnold, chairman Seattle-First National Bank, Seattle, has been elected a director of Northern Life.

Convention Dates

Aug. 22, Northern California Management Conference, Claremont Hotel, Berkeley.

Sept. 4-6, International Assn. Insurance Counsel, annual, Wernersville, Pa.

Sept. 4-8, Million Dollar Round Table, French Lick, Ind.

Sept. 9-10, International Claim Assn., Chateau Frontenac, Quebec.

Sept. 9-13, N.A.L.U., annual, Statler Hotel, Cleveland.

Sept. 15-20, Assn. of Superintendents of Canada, Nova Scotia Hotel, Halifax.

Sept. 23-25, L.O.M.A., annual, Hotel Schroeder, Milwaukee.

Sept. 30-Oct. 2, Bureau Personal A. & H. Underwriters, annual, Stockbridge, Mass.

Oct. 7-11, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Oct. 9-11, Institute of Home Office Underwriters, Edgewater Gulf Hotel, Edgewater Park, Miss.

Oct. 21-24, National Fraternal Congress, Hotel Morrison, Chicago.

THE FIRST BILLION WAS THE HARDEST...

It took 44 years for this Company to create its first billion dollars of Life Insurance in force. We passed that milestone in 1943.

In just 3½ years now we have added that next half billion.

The
**NATIONAL LIFE
AND ACCIDENT
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EDITORIAL COMMENT

Interest Rate Parallels

A parallel may be seen in action taken earlier this year in the fire insurance field by North America and just the other day in the life insurance zone by Mutual Life.

North America made available a plan whereunder assured might pay in five annual installments the premium for a five-year term policy instead of paying the sum of four annual premiums at the outset. This had the effect of reducing from 20% to 2.67% the cost of paying for fire insurance annually as compared with the term basis.

Mutual Life has reduced the interest rate on policy loans from a flat 5 and 6% to a sliding scale that descends to 3% on amounts over \$1,500.

In fire and casualty insurance the 20% saving that is allowed for paying five years in advance created an opportunity for finance companies and banks to advance money to assured who preferred or needed to make payments annually in such a way as to give the lender a 6% return on superb collateral and to save the borrower a respectable sum as compared with buying his cover on a straight annual basis.

Likewise the 5-6% policy loan interest rate of the life companies has provided many banks with an opportunity to build up a valued account by making life insurance loans at 3% and even less and has produced a number of brokers in the field who have flourished even under regulation W.

North America's action was not welcomed by its competitors and so far the industry as a whole has not seen fit to match what North America has done.

Likewise the first reaction on the part of the life insurance industry seems to be adverse to the step that Mutual Life has taken.

Whether Mutual Life's interest differential will constitute such a compelling competitive advantage as to force other insurers to meet its terms remains to be seen. In the fire insurance field, North America's plan has not, in the present economic atmosphere, captured business from competitors on an important scale. Some of the banks, indeed, have come down to 2.67% on their premium loans.

Perhaps Mutual Life's action may have the effect of causing banks to reduce even further their interest charges on life insurance loans. The banks that are making fire insurance premium loans at 2.67% say they expect to acquire such a volume of such business that the return will be satisfactory. In life insurance some brokers have arranged to

shave things so thin that they get a beneficiary, who would otherwise take the proceeds in a lump sum, to borrow that amount from a bank, leave the proceeds at interest with the insurer and pocket the difference between the interest return from the insurer and interest charge of the bank.

One conceivable advantage to the industry from covering Mutual Life would be to fend off state legislation fixing ineluctably a low interest rate on policy loans. In the past two or three legislative sessions bills have appeared in many states to set the rate as low as 3%. Some of these have had the color of strike bills and have gotten nowhere, but they might well be the forerunners of measures with authoritative sponsorship. Mutual Life reserves the right to restore its interest charge to the old level and also introduces the sliding scale principle which probably would not be incorporated in any statute.

Exception may be taken to Mutual Life's move as inviting policyholders to look upon their insurance as ready collateral for ordinary borrowing rather than as a security to be touched only in a rare emergency. The theory has been that a policy loan spells eventual lapsation, because after awhile the assured begins to measure the cost of the net protection he has left against the cost of premiums plus interest and decides to surrender or let it lapse, unless he is in a race with death.

The prediction of life insurance executives is that the Mutual Life action will have little practical effect. Big borrowers, they believe, will still go to the banks and there is no interest rate reduction for the small borrower.

On the other hand, they cite the possibility that if the other companies don't copy Mutual Life, that might invite legislation on the theory that the lawmakers would argue that if one of the giant companies is able to do it, all companies should be compelled to do so.

Practically all loans of \$1,000 or more are already in the hands of banks and the cash value of policies assigned to banks far exceeds the amount of policy loans on the books of the insurers.

Theoretically, the industry will admit, the prevailing 5% on policy loans is out of line with the interest trend, but actually it is not, because 5% is cheap for \$10, \$25 and \$100 loans and those are the only loans the insurers are making. To compete with banks, many believe, it would be necessary to drop the charge to 2-2½% and that is a

course no one espouses.

About the only virtue that the industry generally will concede is that such a step as Mutual Life has taken, if followed generally, would be to head off legislation to reduce the interest charge on small loans to a point that would give a net return of close to zero.

Despite the adverse reaction there is the utmost respect for the acumen of President Douglas of Mutual Life in fathoming public opinion and its drift, and from a public relations and political standpoint it may turn out that he is ahead of the procession. There is no bitterness on the part of the other com-

panies because Mr. Douglas notified his competitors in advance of his intentions and solicited their criticism.

Life insurance executives will take heed of the fact that veterans administration has just reduced from 5 to 4% the interest on Government Life Insurance and National Service Life Insurance policy loans. That may create the opportunity for comparisons that could be made to appear invidious by business baiting politicians and professional detractors of life insurance. The insurance companies conceivably could be placed in an embarrassingly defensive position.

PERSONAL SIDE OF THE BUSINESS

John A. Honey was guest of honor at a luncheon at Portland, Ore., on the occasion of his 40th anniversary with Northwestern National Life. He received from President O. J. Arnold, an engraved watch. He started with Northwestern National in North Dakota and in 1910 moved to Medford, Ore.; in 1915 he became Montana state agent and since 1926 has been operating from Portland in the W. Biddle Combs agency.

Louis L. Lang, president of Mutual Life of Canada, has been appointed a director of the Canadian Pacific Railway.

L. L. Howard, general agent of Columbian National in Boston, has been named a life member of the Million Dollar Round Table. He has won membership in the Star Producers Club for five successive years and is club secretary, and has been a member of the agency advisory committee of Columbian National.

Theresa Simpson, manager policy department Boston Mutual, in recognition of 40 years' service as an employee was tendered a testimonial luncheon in Boston and presented a substantial check and a radio set by President Benton.

Garland D. Connor, editor "Pacific Northwest Underwriter," is the father of a new son, the fourth in the family.

Rolland E. Irish, president, and **A. Thomas Lehman**, vice-president and actuary of **Union Mutual Life**, entertained 24 members of the Boston Actuaries' Club at a clambake at Jewett's Island in Casco Bay.

Vincent Saccardi, manager Metropolitan Life, Washington, is chairman of a federal jury commission there. He is credited with having increased the number of names on the jury list subject to call for duty to more than 20,000. The ultimate goal is a list of 100,000.

Mr. Saccardi became interested in jury selection when he noticed that the same Metropolitan men recurrently were called for duty whereas no others on the staff were ever called. He discussed the situation with Justice Laws. Mr. Saccardi felt it was inequitable that members of the same group should be summoned for jury duty about every 14 months while a very large proportion of the population never was called.

When a vacancy occurred on the jury commission Justice Laws named Sac-

cardi to the post. The commission, at his insistence, was reorganized, two more members being added as well as a staff of clerical employees. Instead of relying on a list of names obtained from club membership, company employees, government agencies and similar sources, it was decided to questionnaire Washington residents with a view to ascertaining eligibility and other qualifications for jury service. Some 60,000 questionnaires are being sent this year to persons listed in the city directory and replies are being classified, by Mr. Saccardi or one of the commission members.

Charles R. Phelps of Mutual Benefit Life, Sacramento, has qualified for the Million Dollar Round Table.

O. S. Weide, vice-president Constitution Life, Hollywood, has just returned from a four weeks' visit to Honolulu where he and Mrs. Weide visited their son who is stationed there as a captain in the marine corps. Mr. Weide was with Postal Union Life before it was merged with Constitution. He was manager of the accident and health department and at the recent election of officers of Constitution was named vice-president and general manager.

President E. A. Roberts of Fidelity Mutual Life has been awarded a formal citation from Fred M. Vinson on behalf of the Treasury Department together with a personal letter from Mr. Vinson. The citation referred to distinguished service to war finance given by Mr. Roberts in the war bond drives.

Herman J. Gauchel, manager North American Life, Racine, Wis., recently completed 755 consecutive weeks of production. In some weeks Mr. Gauchel submitted an application every day. Recently elected president of Racine-Kenosha Life Underwriters Assn., he long has been a top producer for North American in that region.

Louis J. Taber, president Farmers & Traders Life, is recuperating from a heart attack suffered in May. The company reports he is making splendid progress toward recovery at his Columbus, O., home.

Edgar VanCleave, president, and **W. J. Newblock**, vice-president of the Oklahoma City Association of Life Underwriters, who have been confined to the hospital for a couple of weeks are recovering rapidly. Both are able to

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Pacific

be taken home and the Mr. Newblock is expected to return to his office some time this week. He is manager of General American Life for western and central Oklahoma.

Fred T. Jordan, manager home office agency Union Mutual Life, has been named community chairman committee for economic development at Portland, Me. A native and long-time resident of Maine, he is president of the Portland Chamber of Commerce and Southern Maine Association of Life Underwriters.

A. P. Mazza, general agent of Ohio State Life at Harrisburg, has been confined to a hospital for some time with a serious back ailment.

Melzar C. Jones, assistant general agent Phinehas Prouty, Jr., agency of Connecticut Mutual Life in Los Angeles, was presented a plaque at the company's annual convention in Atlantic City as winner of the Lyter award, the highest honor. It is given for results in agency organization work in both full time and brokerage. This is the second consecutive year he has won the award and he is the only one who has won it twice in succession.

DEATHS

James D. Law, 52, general agent of American National at Atlanta since 1945, died following a short illness. He was a business leader of the city before joining the Carson & Dobbins general agency of Aetna Life there in 1942.

Mr. Law was a veteran of the other war, having been a captain in the chemical warfare service of the army. He had been a director of the Atlanta Association of Life Underwriters.

Arthur L. Fagan, 47, a director of Colonial Life since 1930 and a member of the executive committee since 1940, died suddenly of a heart attack at his summer home at Saranac, N. Y. He was co-publisher and editor of the "Jersey Observer."

Birchard E. Wyatt of B. E. Wyatt & Co., actuarial consultants and pension plan specialists of Washington, D. C., died at Emergency Hospital there. His home was at Middleburg, in nearby Virginia.

Mr. Wyatt, only 38 years of age, died Monday following an operation the pre-

ceding Friday. A native of Ohio, he was technical advisor to the social security board in its early days. His career was devoted to design and development of employee benefit programs, including pension plans and group insurance.

He attended Oberlin College, University of Pennsylvania, and received a Ph.D. degree at Columbia. For a time he lectured on insurance at University of Michigan. Following his social security service, he founded the firm bearing his name in 1943, which has offices at Chicago, New York, Cleveland, Detroit and Washington.

Charles H. Van Kirk, Chicago insurance producer and broker for 30 years, died at age 64 in Wesley Memorial hospital after an illness of several months. A graduate of Yale university, he was a producer for New York Life and New England Mutual until the middle '30s when he opened his own insurance brokerage office. Known more for his intensive interest and capacity for successful insurance service rather than for volume production, Mr. Van Kirk in 1925 was largely influential in securing Chicago as location for a school in life insurance under auspices of University of Pittsburgh. The school, which was one of the forerunners of the C.L.U., was successfully conducted for a number of years.

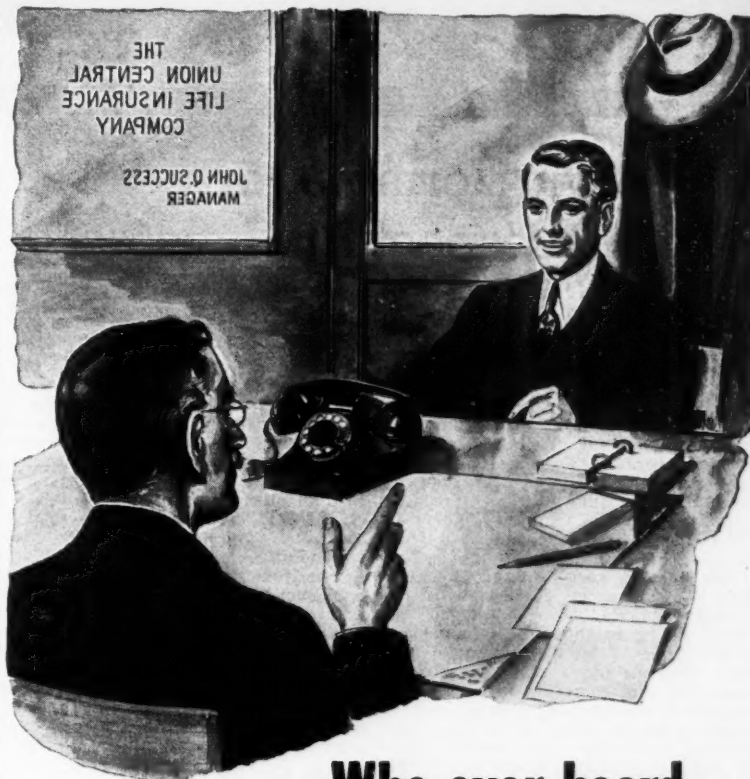
O. E. Daws, secretary-treasurer of the Old American Life, a mutual benefit organization of Oklahoma City, died in Marietta, where he had been on a fishing trip, as result of heart trouble. He was 55 years of age.

Born in Wise county, Tex., he went to Oklahoma as a child with his parents and lived in Mangum and Frederick before locating in Oklahoma City 25 years ago. He served in the other war.

Ott Agency Holds Fishing Party

The annual fishing party of the A. V. Ott agency of Equitable Society at New York was held last week near Freeport, Long Island. Robert H. Urbin was prize winner for high rod and largest fish.

The agency has shown a 70% increase in ordinary and a 67% increase in group business for the first six months, and Mr. Ott predicts that the second half will be better than the first.



Who ever heard of a waiting list in life insurance?

"It's like this, Bill. We want you. In my judgment, and according to the most up-to-date tests, you have everything it takes to make a successful life insurance man."

"But we can't take you — yet."

"Here at The Union Central our representatives are put through a thorough, well-planned training course. We will not accept more men than we can thoroughly train."

"Right now, Bill, we have as many new men as we can handle, so we will put you on the waiting list. In about 30 days one of our men will finish with his basic training, however, and then we'll be ready for you. When you have finished our Union Central training course I know you will feel it was worth waiting for."

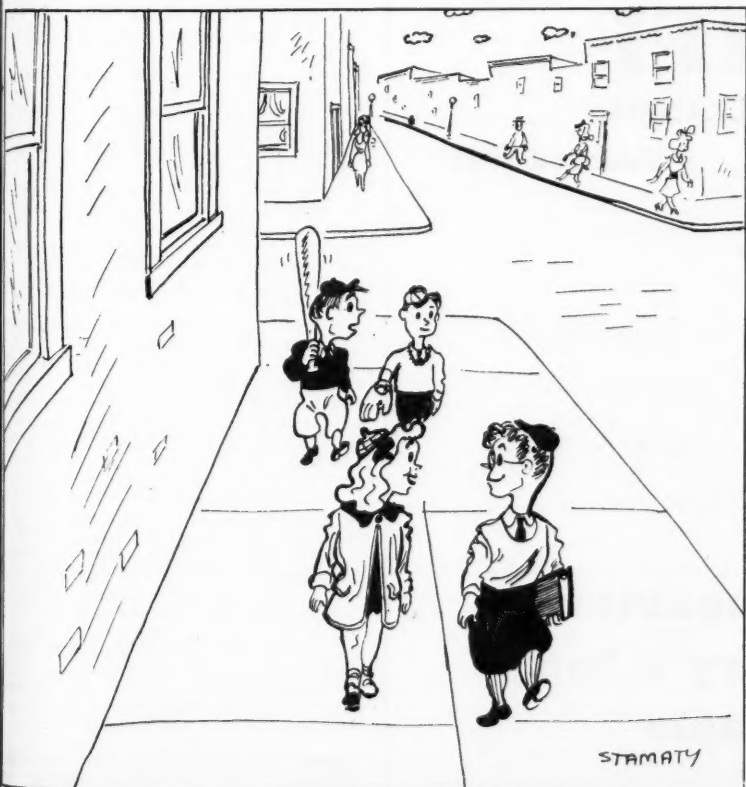
★ ★ ★ ★ ★

Who would have thought 30 years ago, or 20, or even 10, that the time might come when a life insurance company would have a waiting list? Actually that is the situation today in three Union Central agencies and it soon will exist in many others.

It's in line with the Company's policy not only to select carefully each new man, but also to equip him with the finest facilities that modern training methods can provide.

Even though it's tough to pass up a likely looking agent now and then, we believe that in the long run this policy is in the best interest of the agent, the agency, the Company and the insuring public.

THE UNION CENTRAL LIFE INSURANCE COMPANY
CINCINNATI, OHIO



"JUST LIKE A WOMAN -- LOOKING AHEAD TO SECURITY. SHE WASN'T SO KEEN ON HIM TILL SHE LEARNED ABOUT HIS EDUCATION INSURANCE."

STAMATY

Sales Ideas and Suggestions

No Magic Formula for Group Prospecting Success

With the increased interest of employers in group and other employee benefit coverages reflected in June sales, group supervisors report that many agents with no previous group experience are asking advice on how to prospect for group. Some of these agents are seeking a magic formula by which they can track down employers who are panting for the coverage. The answer they receive is that group prospecting like individual prospecting offers no magic formula, but requires initiative, ingenuity and plenty of persistence and hard work on the part of the agent.

The average successful group salesman, like the successful salesman of individual policies, probably began his career selling to those most immediate in the circle of his acquaintances. Almost everyone has a relative or friend connected with some sort of firm which employs a considerable number and is a good group prospect. Knowing a man working in this firm does not necessarily provide an in, but it should provide an insight into the workings of the firm. The agent can learn the right man to go to to deliver his solicitation. He will not make the too frequent mistake of spending hours soliciting a vice president and then learning that the only man in the firm who could make such decisions is the president.

The most fertile source of group contracts is in the agent's home community where there are usually industries which would bear checking. The fact that the agent hails from this community gives him a head start over anyone else who might solicit this business. Many group men report that in smaller towns and outlying suburban areas there are a

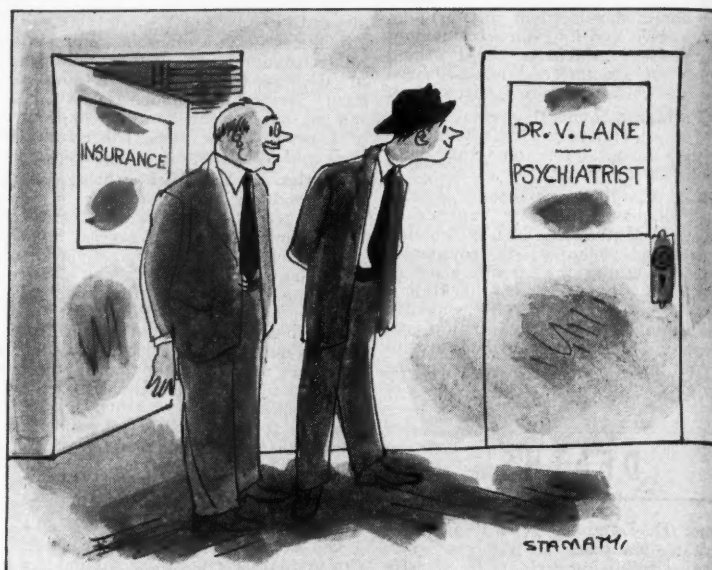
number of industrial executives who have never been approached with the idea of group insurance.

Group interviews, whether they are productive of business or not, often yield tips as to other industries which make good prospects. Usually the individual enterprise is tied up with several other plants. Many times the executives to which the agent talks are more than willing to provide an introduction to the right man at another plant.

The cold canvass is not a stranger to group insurance. There are many successful agents who operate to a large extent from the phone book or the red book, concentrating largely upon those industries which are very seldom in the public eye and are less likely to have been canvassed by other group agents. It is pointed out, of course, that even in soliciting these firms cold, the agent should have picked up enough information about the firm to know its characteristics.

Should Size Up Prospect

Naturally one of the big dangers in group prospecting as in individual prospecting, is that the agent will waste time on a company which is a very poor prospect by its nature. He should learn in advance whether the company has the minimum number of employees upon which he is allowed to write group insurance in his state. He should also determine if the company has an earning record which would enable it to afford paying group premiums. He should be well apprised of any type of employee benefits which already have been installed in the particular plant. He should determine how great the need for cover



"The doctor refers me many cases he figures I can solve."

is on the part of the employees, because it is often quite as hard to win over employees to a plan as it is to win over the employers.

The agent should have a good working knowledge of the plan he presents. Some agents are inclined to show too great a dependence upon the company group representative who can be called in to help clinch a deal or clear up technical points. There is nothing wrong with this practice and each agent cannot be expected to be the professional at this field that the company group man

is, but if he is not sufficiently conversant with the coverage to attract the employer's interest, he cannot create the opening for the company representative.

Electrocuted in Illegal Still Room; No Recovery

National Life & Accident has been relieved of liability by the tenth U. S. circuit court of appeals under a double liability clause for death by electrocution in an illegal still that was operated by the assured. The case was *Waters vs. National L. & A.* The lower court had given a verdict for the beneficiary.

Edgar J. Waters had a \$5,000 life policy with double indemnity. In a room in a barn on his place at Tulsa he had the still. He was found dead July 18, 1944, with one hand grasping a bulb and switch at the end of a light cord. The fingers on his hand that was grasping the light bulb were burned and the portion of his body that lay on the cord was burned. He was barefooted, the floor of the room was wet and the room was filled with steam.

National L. & A. denied liability on the ground that death was sustained in connection with violation of law. The jury had found in favor of the beneficiary but the trial court set the verdict aside and entered a judgment in favor of National L. & A.

The trial court pointed out that it was not sufficient merely to establish the status of a law violator on the part of the insured, but it was necessary for the insurer to prove a causal connection between the violation of law and the death of the insured. The court went on to say that the only reasonable conclusion that could be drawn from the proven facts is that Waters was electrocuted as a consequence of his having gone into the still room in connection with the operation of the still or to obtain whisky which had been illicitly distilled. It must follow that there was a causative connection between the operation of the still which caused the floor to be moist and the electrocution. This would be true even if the assured went into the room for some purpose other than one in connection with the operation of the still or the illicit whisky stored there.

Write more accident business by subscribing to *The Accident & Health Review*, \$2 a year, 175 W. Jackson Blvd., Chicago.

CENTRAL LIFE

INSURANCE COMPANY OF ILLINOIS

Chicago 6, Ill.

ALFRED MACARTHUR, PRESIDENT

Founded 1905

July 1, 1946

Assets more than.....	\$ 30,000,000.00
Capital & Surplus more than.....	\$ 2,750,000.00
Insurance in force more than.....	\$125,000,000.00

Capital & Surplus Funds are more than 11% of policy reserves.

If you are a live wire and capable of handling men and territory a top notch contract is available

AMONG COMPANY MEN

Great-West New Agency Setup

David E. Kilgour, the new superintendent of agencies of Great-West Life, will contribute to the direction of the agency organization in the United States and Canada under the general supervision of H. A. H. Baker, assistant general manager at the head office, who is the chief agency officer.

Charles C. Martin has just been appointed superintendent of eastern agencies with headquarters in Toronto and will be responsible for the supervision and development of the eastern agency organization in Canada.

Executive direction of secretarial functions under the revised setup is being assumed by Eustace Brock, assistant general manager, in addition to his present duties. Before the war Mr. Brock was secretary of Great-West. The agency secretary recently appointed is Stewart G. Bacon.

Mr. Kilgour has been with the company for 13 years, in agency work traveling throughout the field, then as secretary since 1943.

Mr. Martin formerly was branch manager of Great-West at Toronto, in 1937 leaving to become superintendent of agencies of Northern Life. He is past chairman Life Agency Officers Section, Canadian Life Insurance Officers Association.

Badgley Mutual Life Research Associate

L. Durward Badgley has been appointed research associate to Donald B. Woodward, second vice-president of Mutual Life.

Mr. Badgley was formerly chief economist and deputy regional representative for National Housing Administration. He joined the research division of Mutual Life in 1945 to make market analyses on real estate mortgage investments.

From 1934 to 1939, Mr. Badgley was senior economist of the division of research and statistics of FHA. In this capacity, he traveled all over the country making economic studies and market analyses.

Currently a member of the research and fact-finding committee on construction of the Committee for Economic Development, Mr. Badgley is also a member of the population and economic research program advisory committee to the Philadelphia City Planning Commission, and the city planning and zoning committee of Citizen's Housing Council of New York.

Fouts, Purtzer, Wescott to New Bankers, Neb., Posts

Bankers Life of Nebraska has promoted three agency department members to the position of agency assistant. They are H. W. Fouts, S. R. Purtzer and E. S. Wescott. Each will have supervision of a group of agencies and will be responsible for working in cooperation with the general agents in their development plans.

Also each man will continue to handle the specialized duties performed in the past. Mr. Fouts heads the field training program, Mr. Purtzer the statistical division and Mr. Wescott advertising and sales promotion.

Cravens Has Resigned

Charles Cravens, educational director at the head office of the Continental Assurance of Chicago, has resigned.

Heles Asst. Secretary-Treasurer

DES MOINES—Peter J. Heles, Jr., formerly cashier of Farmers Life, has

been elected assistant secretary-treasurer by the directors.

Fuller Special Representative

Cecil R. Fuller, manager of the Tacoma branch office, has been appointed special home office representative for West Coast Life in the Pacific Northwest. He will continue responsibilities as agency manager but will have charge of activities in Oregon, Washington, Alaska, northern Idaho and Montana.

First associated with the company in 1935, Fuller was advanced to manager at Tacoma in 1938. His agency has developed into one of the company's leaders.

Elect Morrow Standard Director

Harry L. Morrow has been elected a director of Standard of Oregon, succeeding E. C. Sammons, who recently became president of the United States National Bank. Mr. Morrow is president of Pacific Metal Co.

Phillips Now Agency Head

Henry Phillips, Indianapolis, has been appointed superintendent of agencies of Western & Southern Life. His new duties will take him into the eastern states. He entered the life insurance business seven years ago, first as an agent attached to the Indianapolis sales district, then later as manager of the Columbus, Ind. district.

Insurers Buy \$125 Million in G. M. Long Term Notes

General Motors Corporation has sold \$125 million in long term notes bearing 2½% interest to eight life insurance companies; Aetna Life, Equitable Society, John Hancock, Metropolitan, Mutual Life, New York Life, Northwestern Mutual and Prudential.

Of these notes, \$96 million worth, maturing in 1976, were sold at 99¼%, while the remaining \$29 million, maturing in 1966, were taken at 100¼%.

The 30 year series contains a provision for amortization of payments beginning at the end of the sixth year. No amortization of the 20 year series is required, but General Motors may make annual prepayments.

CHANGES

Christenson Now Manager for Occidental at S. F.

W. B. Christenson, acting manager of the San Francisco branch of Occidental Life, has been appointed manager. He has been with the company since 1942 when he entered the life insurance business at the home office agency in Los Angeles. He was appointed assistant manager at San Francisco in 1944.

Travelers Names Field Aids

Travelers has appointed as field assistants George R. Reeser at Des Moines; Monte W. Kemp, Oklahoma City, and Allan A. Hinkle, New Orleans.

George C. Wright has been appointed group assistant at Minneapolis.

Smith Is London, Ont., Manager

North American Life of Canada has appointed Norman W. Smith as manager of the London, Ont., branch.

Associate at Rochester

Raymond Godine has been named associate general agent of National Life of Vermont at Rochester, N. Y. Mr. Godine will assist General Agent Bruce L. Johnson in recruiting and training. Mr. Godine has had experience in this type

of work in the Baltimore agency of National Life, headed by his brother, Leonard V. Godine.

Hilbert Back with Newark Agency

Edward Hilbert, who served in the army, and John A. Varian, who was with the transport division, have been discharged from service and returned to the Newark agency of Phoenix Mutual Life.

J. S. Homan in Charge at Reading

Joseph S. Homan has been named assistant manager in charge of the Reading territory for Prudential. The office is

under the supervision of William S. Tiffany, ordinary manager at Harrisburg.

Mr. Homan, who has been with Prudential since 1943, has been serving as special agent at Harrisburg.

Thomas Named Special Agent

Roger H. Thomas has been appointed special agent by Indianapolis Life for Fairmount, Ind., and vicinity.

New Great-West Supervisor

Great-West Life has appointed David Schellenberg supervisor at London, Ont.

HITCH YOUR WAGON TO A "STAR"

If you are thinking about a new connection, we invite you to consider this rapidly growing company.

During the first six months of this year our gain in Insurance in Force was approximately 200% over the corresponding period last year. This rapid growth is reflected in salesmen's incomes. Why not have a share in it?

Our re-formulated Organized Selling Plan is particularly designed to extract the maximum results from your selling efforts.

Write for full particulars.



THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

ST. PAUL 1, MINNESOTA

Complete

REINSURANCE

Service

LIFE — ACCIDENT — HEALTH

ALLIANCE LIFE
Insurance Company



Ray E. Button, Reinsurance Director

Chicago

Schellenberg, a school teacher before the war, joined the company last September. In the four months remaining in 1945, he qualified for the President's Club.

Veith Mass. Mut. Agency Aid

John P. Veith, Massachusetts Mutual Life, has been appointed home office agency assistant.

Upon graduating from St. Louis Uni-

versity in 1939 with a B.S. degree in economics, Mr. Veith joined the home office, under the plan for selecting and training young college men. In 1943 he was appointed special agent FBI and was assigned to counterespionage and countersabotage work in the Washington, Detroit and Newark field offices. He resigned last December. Mr. Veith was born in Springfield, Mass., where he

now makes his home. His father, Anthony E. Veith, St. Louis, has long been a leader among Massachusetts Mutual salesmen.

Ortenburg to Brink Agency

The Earl B. Brink agency of United Benefit Life and Mutual Benefit H. & A., Detroit, has appointed E. A. Ortenburg as manager of its life insurance division. Mr. Ortenburg was formerly associated with Western & Southern Life, where for the past 10 years he has served as manager of its Detroit branch.

POLICIES

Aviation Rules of Standard Revised

Standard of Oregon again has modified its underwriting of aviation risks to give more favorable consideration to passengers, pilots and military personnel. Civilian passengers now are fully covered at no extra premium so long as they are traveling on licensed planes and there is no unusual hazard present. This includes those doing non-scheduled flying either in connection with business or pleasure as well as those traveling regular airlines.

Class Retains Rating

Airline pilots and crew members still have a \$3 rating but only one terminal in the United States or Canada is required. Thus, pilots flying trans-oceanic routes with one terminal in the United States would be eligible for the \$3 rate if the planes have maintenance service and the pilots have qualifications comparable with those prescribed by scheduled airlines. Student pilot instructors, inspectors and those engaging in charter flying and sightseeing have a \$5 rating rather than \$7.50 as before.

Non-commercial pilots, including those having private certificates and student pilots, have a basic rating of \$5 a year. For student pilots and those having less than 100 hours an additional extra premium of \$5 is required in the first year. Thus, the total extra premium is \$10 in the first year and \$5 thereafter for those having 100 hours or less and for student pilots.

Based on Attained Age

Up to date, experience on army, navy, marine corps and coast guard pilots shows that an extra premium depend-

ing upon age is required. The ratings are therefore determined according to the attained age of the individual, varying from \$16.90 for ages to 24, to \$5.65 for ages 35 and after. For example, if a policy were taken out at age 20 on an army pilot, the extra premium would be \$16.90 for the first five years (ages 20-24, inclusive), \$11.25 for the sixth to the 15th years (ages 25-34 inclusive) and \$5.65 thereafter.

Members of a reserve corps or national guard aviation branch will be classified as civilian pilots if they are back in civilian life. Most of these will be in the \$5 extra premium group. Members of a reserve corps or national guard aviation branch still on active duty will be rated as regular military pilots.

Policies now in force with ratings higher than those now being quoted for new insurance or with coverage restricted by aviation provisions will be considered for full coverage at the same extra premiums as for new insurance.

Extra Premium Commissions

Commissions on extra premiums for aviation are allowed as follows: First year commissions are payable on the extra premium in all cases except those involving civilian pilots, with less than 100 hours' experience. Regular renewal commissions are payable.

Lincoln National Has New Premium Payment Plan

Lincoln National has devised a plan for payment of an annual premium by means of 12 regular, equal monthly deposits made in advance through the medium of a government allotment or salary savings authorization, railroad salary savings excepted. The plan, which is available for both old and new policies, may be placed in effect at the time a policy is issued or on any policy anniversary.

To make the plan effective it is necessary for the applicant to pay one annual premium initially and to authorize immediately monthly payroll deductions equal to one-twelfth of the annual premium. On each subsequent anniversary the deductions, accumulated without interest, will be available to pay the annual premium then due.

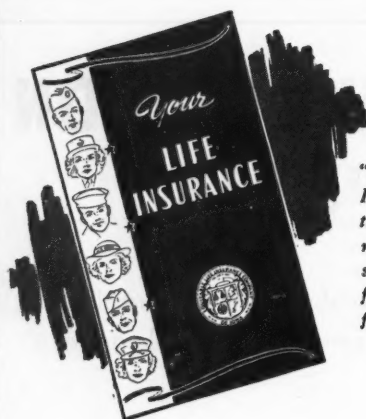
John Hancock Adopts Group Medical Expense

Group medical expense coverage has been adopted by John Hancock. This provides reimbursement for doctor's services up to two dollars per treatment received in the hospital or physician's office and up to three dollars for each treatment received other than in the hospital or physician's office, the total amount not to exceed \$150 in one year. Medical expense will be sold only in conjunction with group accident and sickness and surgical operation expense coverages and is available to new as well as existing group policyholders.

Group medical expense is available under two plans. Plan A provides benefits after a certain specified number of treatments by a doctor. Plan B provides benefits to cover doctor's treatments only after a specified number of days of disability. While the standard benefits will usually be offered, John Hancock would consider offering slightly higher benefits in localities where they are required.

Minnesota Mutual Revises Debtor Insurance Plan

Minnesota Mutual has made important revisions in its plan of automatically insuring a debtor to liquidate an outstanding balance of his loan in event of death. In addition to banks and credit unions, other types of lending and financing institutions generally and organizations selling goods on the installment plan may adopt the program. Applications from loan companies will be limited to



"The new booklet, YOUR LIFE INSURANCE, is just what returning servicemen want and need. Please send me a supply so that I may give copies to friends now being separated from the services."

And so, in substance,

have read numerous letters from our men returning from the armed forces, following their receipt of the Company's new booklet on National Service life insurance.

Information and advice, if sufficient and impartial, is always appreciated. That is why the life underwriter leaving the services, and his friends, regard *Your Life Insurance* so highly. This booklet concerns itself with only one subject: the returning serviceman's life insurance problems. It clearly outlines the benefits of National Service life insurance and urges the serviceman to retain and convert to a permanent plan his government policy, and it tells him how to do that with a minimum of effort.

EQUITABLE LIFE OF IOWA

Founded 1867

Home Office

Des Moines

LIFE REINSURANCE

North American Reassurance Co.

LAWRENCE M. CATHLES, President

110 East 42nd Street

New York 17, N. Y.

high-grade incorporated institutions.

The new plan is limited to loans repayable in not more than three years, but upon presentation of the full circumstances in a particular case, the company might consider extending this limit to longer periods. The maximum amount which may be issued on an individual debtor depends upon the total outstanding balance on the group as a whole and ranges from \$1,000 up to \$5,000. Amounts in excess of \$5,000 will be considered as unusually large cases.

The company will consider renewal of the master policy from year to year provided not less than \$50,000 was in force and will also consider growing cases with less than \$50,000 insured balance on the renewal date provided there is good assurance that the case will soon increase to more than \$50,000.

Commonwealth Writing Industrial Under Guertin Law

Commonwealth Life is now issuing new weekly premium policies under the uniform standard valuation and non-forfeiture laws, or Guertin law, and is believed to be the first company to operate on that basis.

The policies are based on the 1941 standard industrial table of mortality, with reserves and non-forfeiture values computed at 3%, under the formula re-

commended in the report of the Guertin committee.

Commonwealth could take such early action because necessary legislation has now been passed, with respect to industrial insurance, in very state in which it operates.

To Cancel Aviation Restrictions

Aviation restrictions in policies issued by the Savings Bank Life Insurance Fund of Connecticut from Jan. 1, 1942, to Oct. 1, 1945, will be canceled upon request if no aviation hazard is involved. Travel as a passenger on commercial transport planes is not considered a hazard.

Rule Affecting Juvenile

New England Mutual requires a statement from the child's attending physician, including statement regarding treatment at time of birth, with each non-medical application on a juvenile who is less than 18 months old.

Indianapolis Life Retains Scale

Indianapolis Life is continuing its 1945 dividend scale for the year which began July 1, 1946, on policies issued since 1942 with reserves based on the American Men 3% table. On policies issued prior to 1942 with reserves on American experience 3 1/2% basis, dividends have been adjusted to reflect lower interest earnings. The reduction is very small on low premium policies, greater on policies having substantial reserves.

Policyholders Get Refunds

When the United States entered the war, United Fidelity of Texas offered policyholders who had war clauses in their contracts the chance to protect themselves. For an extra premium they promised to pay death claims resulting from military service overseas, with the provision that any unused premiums would be pro-rated and paid to those who took advantage of this added benefit. They had money left over after paying all the claims and the policyholders' checks are in the mail.

Continue Shenandoah Dividends

Directors of Shenandoah Life decided that the 1946 dividend scale would be continued in 1947 and that the rate of interest to be paid on dividends left on deposit will be 3 1/2% to the policy anniversary in 1947.

RECORDS

Old Line Life—New paid-for life insurance for the first six months of 1946 totaled \$4,961,623 and total in force was \$103,769,307 June 30, net gain \$2,885,378 and an all-time high. Accident, health and hospital premiums gained over 26% in the period. All general agencies reported new business gains. H. R. Buckman Associates general agency, Milwaukee, ranked first; Frank DuBose agency, Milwaukee, second, and Meyer agency, Antigo, Wis., third.

Assets reached \$32,294,024, increase \$1,087,762. President Daggett reported to directors at the quarterly meeting. Payments to policyholders and beneficiaries amounted to \$1,231,967.

Business Men's Assurance—Has passed quarter billion mark of life insurance in force. In first half of 1946 in force gained \$22,188,530, and total in force was \$247,571,142. Conservative estimate of progress indicates a quarter billion will be reached by the middle of July, although no exact figure is yet available.

Provident Mutual Life—New business for first six months of 1946 totaled \$59,995,000, gain 60.7% over the same period in 1945. Insurance in force rose to a record \$1,170,028,000, gain \$41,268,000.

Security Mutual Life, N. Y.—New business first six months amounted to \$18,421,755. Insurance in force increased \$16,052,451. In the first six months of 1945 new business was \$10,804,124 and increase in force \$8,697,815.

Reserve Loan—A gain of 240% in production over the same month last year was marked up during July.

Connecticut Mutual—Total paid business for 1946 through July 31 was \$3,-

IN THE FOREFRONT



We endeavor to be in the forefront in the training and education of our Field Force, all of whom are full-time career underwriters.

Schools are one indication of this leadership. 20 Home Office schools were held during 1945 with an attendance of 400, and four similar schools have just been completed, which in addition to six schools for General Agents gives a total of 10 schools held during the first six months of this year.

In short, we have held 30 Home Office schools in the past 18 months with a total attendance of approximately 600. We expect to hold several more during this year.

This is just another example that this is a growing, progressive organization

THE **Paul Revere**
LIFE INSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
J. HARRY WOOD, Executive Vice President

WANTED HOME OFFICE FIELD SUPERVISOR

Sound Mid-Western company operating widely, will employ a Field Supervisor for recruiting, training, and working with General Agents. Salary, bonus, and expenses. Prefer man seeking opportunity and advancement. Responses confidential. Give details as to results, training, experience, age, etc. State salary expected.

Address Box H-2
The National Underwriter
175 W. Jackson Boulevard
Chicago 4, Illinois

SUPERVISOR WANTED

One of the largest and oldest Mid-Western mutual life insurance companies seeks a supervisor to hire and train men in Tennessee and Kentucky. Address G-86.

The
National Underwriter
175 W. Jackson Blvd.
Chicago 4, Ill.

How Would You Like to Put TEXAS on the Map In a Big Way?

I am the man that can do it again. All necessary information forthcoming on request. Address Box G-89, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARY WANTED

By legal reserve life insurance company located in an Eastern State. Attractive offer for qualified man to take full charge of actuarial work. Excellent opportunity. All replies will be treated in the strictest confidence. Address Box H-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Large life insurance agency in Ohio needs stenographer-clerk who has cashier ambitions. Splendid chance for advancement. Please give full information regarding age, education, marital status and experience, also salary expected. All correspondence in strictest confidence. Address H-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Render your policyholders 100% Service AND INCREASE YOUR SALES

Life Insurance sales are good . . . but the demand for accident and health and hospitalization coverage is equally brisk. When you sell both you can make more sales per call and at the same time provide your policyholders with complete personal insurance protection.

AGENCY OPENINGS IN
Calif., Ga., Ill., Ind.,
Kan., Mich., Mo., Neb.,
N. J., N. D., Ohio and
Wis.

Write today for details regarding North American Life's complete line of protection, including lifetime disability coverage and both individual and group hospitalization.

NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

C. G. Ashbrook, Vice Pres.-Supt. of Agencies
North American Building, Chicago 3, Illinois

PROOF O' THE PUDDING



"If our company did not have its present copyrighted QVS Contract, and some other company came out with such a plan, I probably would be compelled against my wishes to give up my present connections—highly satisfactory 'tho they are—and join the company which offered me and my associates the many QVS advantages.

ROBERT GINSBURG, Agency Mgr., St. Louis District.

Q... quality
V... volume
S... service

THE CAPITOL LIFE INSURANCE CO.

Clarence J. Daly, President
W. V. Woollen, Agency Vice President
Home Office—Denver 1, Colorado

FACTS AND FIGURES THAT SPEAK!

IN 1945

The INDIANAPOLIS LIFE INSURANCE COMPANY made the LARGEST GAINS in its 40 years in BUSINESS.

IN 1946 TO JULY 1ST —

1. THE GAIN OF INSURANCE IN FORCE was practically EQUAL the gain FOR THE ENTIRE YEAR 1945! Total in force exceeds \$166,000,000.
2. NEW PAID BUSINESS was over 80% ahead of the same period last year.
3. EXPERIENCED MEN with the Company are showing substantial increases.
4. NEW MEN are making outstanding records and rapid progress.
5. GENERAL AGENTS are doing an unusually effective job recruiting and training. They receive special help from the Home Office.

Effective, continuous training and retraining; modern policies and sales helps including an unusual rate book giving instant answers to programming problems; close, friendly Home Office cooperation; high earnings and security; a pension for retirement years—these are some of the reasons for the records that are being made.

Indianapolis Life Insurance Company

A Quality Legal Reserve Mutual Company

INDIANAPOLIS 7, INDIANA

Agency opportunities in Evansville, Indiana; Toledo, Ohio; Springfield, Illinois; Davenport, Iowa; and Austin, Texas.

A. H. Kahler, Second Vice-president
and Superintendent of Agencies

Edward B. Raub
President

833,770, within \$100,000 of 1945's total. August paid is expected to be \$400,000, and with higher fall production the company feels confident the \$6 million goal will be exceeded.

Missouri Insurance Co.—Records good gains in industrial and ordinary departments over 1945. Insurance in force this year increased from \$48,611,298 to \$55,732,146, including both industrial and ordinary. Production of new business also increased.

Columbian National—Passed \$250 million mark in insurance in force in June. Ten agencies leading in production at June 30 for their respective groups are: Group 1, St. Louis Columbian; W. S. Vogel, Newark; Thayer Quinby, Boston; Arnold Harmelin & Son, New York City; Beardslee, New York City. Group II (cities with less than 750,000 population) M. J. Ekert, Binghamton, N. Y.; Rymph, Wichita; Providence; V. J. Pobrislo, Denver; Johnstone & Miller, Kansas City.

New England Mutual—New paid business in first six months was \$130 million, breaking all company records and exceeding all new paid-for in the entire years 1942, 1941, 1940 or 1939. Terminations were very low so insurance in force increased \$100,605,000 to the total July 1 of \$2,130 million.

New agents are averaging a man-month production of \$14,950, or approximately \$180,000 a year, and returned veterans have boosted their average to \$20,494 a month or \$245,000 a year.

Lowest mortality rate for any six-month period in history, 42% of expected, was reported.

Boston Mutual—Ordinary sales for first five months were \$6,051,820, increase more than 101% over the same period in 1945 and almost equal to the ordinary sales for the entire year of 1945. Gain of ordinary to May 31 is greater than gain in industrial breaking the 2 to 1 ratio that has stood in the company for many years. New combined total in force is \$144,710,862, highest in history, made up of \$93,618,059 industrial and \$51,092,803 ordinary.

Farmers Life—July production was the largest in history for the month. Seventeen agents qualified in the month for an all-expense paid fishing trip which starts Aug. 10 at Hanson's lodge, Nestor Falls, Ont., in the Lake of the Woods region.

Bankers Life of Nebraska—July production was the largest of any sum month in history and exceeded the sales during July, 1945, by 88%. For the year to date the increase is 80%.

Ohio State Life—New paid-for life insurance in the first half of 1946 gained 70% over the same 1945 period. Last year's production was the largest in history. June 30, insurance in force was \$156,274,562, assets \$37,871,833, capital \$3,716,669. Gain of insurance in force for the six months period was 73% over the first half of 1945, and within a half million of the gain for all 1944, and greater than the annual gain in any previous year in the history. Ten agencies already this year have paid for more than a half million each of new insurance.

president, who was one of the founders of the company; and R. A. Wilson, Dixon, Ill., a second generation Central Life agent.

H. E. Slaughter, Mitchell, S. D., dean of the agency force, was an honored guest. Mr. Slaughter will soon celebrate his 36th anniversary with Central Life.

Hold Oklahoma City Seminar

Sam S. Hay of Houston, assistant superintendent of agencies Great Southern Life, conducted a one-day seminar in Oklahoma City under direction of Stewart Meyers, who is in charge of the city agency. The meeting was part of the mid-summer sales study project launched by the company.

Similar seminars were given at Tulsa, Ardmore and Elk City, under direction of T. R. Wilson, agency director for the rest of the state. Current field problems were discussed.

Gt. N. W. Agency Meet Aug. 28-31

Great Northwest Life agency convention will be held in Spokane August 28-31, with approximately 50 agents in attendance. One day of the convention will be devoted to an automobile trip to Grand Coulee Dam. Another day will be spent at Coeur d'Alene where a boat trip is planned on Lake Coeur d'Alene and St. John River.

Penn Mutual Fetes Freshmen

Penn Mutual gave a reception to leading first year agents at a quarterly meeting of the President's Club for New Organization at the home office. Present were six men and one woman. The group was given a reception and luncheon by President John A. Stevenson.

Prudential Change at Joplin

Prudential has appointed Jack P. Highbarger manager at Joplin, Mo., succeeding N. J. Bush, who was transferred to the home office as regional manager. Mr. Highbarger has had 13 years with Prudential at Kansas City and Salina, Kan.

ASSOCIATIONS

Program Ready for S. F. Conference

SAN FRANCISCO—The program for the first Northern California Agency Management Conference to be held at the Claremont hotel here Aug. 22, sponsored by the San Francisco Life Underwriters Association with the cooperation of other local associations in the territory, is complete. William L. Hardy is general chairman.

There will be three panel meetings, "Training & Supervision" with T. G. Murrell, general agent Mutual Benefit, as conductor and G. W. Brown, John Hancock, Oakland, and J. F. Simons, California-Western States, Fresno, as the speakers. L. J. Lynch, general agent John Hancock, San Francisco, will conduct a panel on "Recruiting and Selection" with A. D. Hemphill, Equitable Society, Oakland, and F. J. Curry, Penn Mutual, San Francisco, as speakers. A panel on "Building and Maintaining Morale" will be conducted by J. F. Van Stralen, general agent Massachusetts Mutual, San Francisco, with J. W. Lawrence, manager ordinary office Prudential, Salt Lake City and W. H. Dunkak, Acacia Mutual, San Francisco as speakers.

Don Munro, manager Union Central, San Francisco, is chairman of the attendance committee and other committee chairmen are: V. W. Wiedemann, Equitable of Iowa, budget; Karney Walton, Phoenix Mutual, entertainment; J. F. Van Stralen, luncheon; Harry Storck, California-Western States, publicity; Gilbert Ball, Califor-

SALES MEETS

Phoenix Mutual Quebec Rally to Be Biggest Ever

Phoenix Mutual Life will hold its agents convention at the Chateau Frontenac, Quebec, Sept. 12-14. This is the first meeting on a national scale since 1941. It will mark the company's 95th anniversary.

It is expected about 600 will attend which will be the greatest number ever. Col. D. Gordon Hunter, vice-president and agency manager, will be general chairman. An anniversary dinner is scheduled for Sept. 14.

Ohio Natl. Builders Convene

The Builders club of Ohio National held its first postwar convention at Pequot Lakes, Minn. An all time high of 160 agents were in attendance with their families. There were two brief business sessions, but most of the time was devoted to recreation.

Fete Central's Top Producers

Leading Illinois producers of Central Life were honored at a luncheon given by Alfred MacArthur, president, in Chicago. Illinois agencies led all the company's agencies in writing the biggest month's production in the company's history in June.

L. L. Johnson, agency vice-president, presided and brief talks were given by Mr. MacArthur; S. B. Bradford, vice-

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nia-Western States, reception, and Clif-
ford Henderson, Prudential, speakers.
There will be door prizes at the
luncheon and in the afternoon West
Coast Life will be host at a cocktail
party.
Mr. Hardy reports there will be ap-
proximately 120 general agents, man-
agers and agency assistants and super-
visors in attendance.

Reviews State Legislation on Accident and Health

J. F. Follmann, Jr., manager Bureau
of Personal Accident & Health Under-
writers say that eight state legisla-
tures in regular or special session
from Jan. 1 to date gave consideration to
legislation directly affecting accident and
health insurance.

In these eight 28 such bills were in-
troduced. Of these, 12 became law. The
new statutes were largely directed at
bringing insurance laws up to date with
current practices and smoothing out in-
consistencies in existing statutes.

South Carolina, in passing legislation
providing for the incorporation of non-
profit hospital plans, brings to a total of
34, in addition to the District of Colum-
bia, the number of states having such
legislation. Twenty states have laws
providing for incorporation of non-profit
medical service plans.

Salt Lake Assn. Selects Ten Activities Chairmen

SALT LAKE CITY — Chairmen
were selected at a special meeting of
the newly elected officers and directors
of Salt Lake Association. They are F.
E. Walker, United Benefit Life, mem-
bership; H. J. Syphus, Beneficial, pro-
gram; Leo Porter, Columbian Na-
tional, arrangements and attendance;
D. F. Crandall, Metropolitan, public re-
lations and business ethics; John
James, Occidental, publicity; O. L.
Richards, Metropolitan, education; G.
J. Cannon, Beneficial, legislation; P. J.
McCune, Metropolitan, sports and so-
cial activities; Frank Mozley, Benefi-
cial, national committeeman, and W.
M. Jones, Business Men's Assurance,
alternate.

The new president of the organiza-
tion, which will resume monthly ses-
sions in September, is Kenneth E.
Lake, Home Life of New York, and
Warren P. Jerrell, Prudential, secre-
tary-treasurer.

Insurance Outing at Waukegan

About 125 attended the joint golf out-
ing of the Waukegan Assn. of Insurance
Agents and Lake County Life Under-
writers Assn. at Glen Flora Country
Club, Waukegan, Ill. Carl Mellen offi-
ciated at the awarding of prizes at the
dinner and added luster to his reputation
as a raconteur.

San Jose, Cal.—Frank F. Weidenborner,
agency vice-president of Guardian Life,
is to be principal speaker at a joint
luncheon meeting with the Chamber of
Commerce there, on "Sales Management
—Today." The meeting was arranged by
the public relations committee of which
Frank O'Keefe is chairman. H. A. Os-
borne, president San Francisco associa-
tion, will preside.

COAST

Linton Discusses Social Security at Portland

PORTLAND, ORE.—A sound so-
cial security program is a necessity in
an industrial age, but it is important
that benefits should never become so
large that people first will look to the
government for their support, M. Al-
bert Linton, president Provident Mu-
tual Life, declared in a statement made
here.

"Benefits should become a floor on
which individuals can build a proper

savings plan through normal savings,
life insurance annuities and other de-
vices," he said. "When benefits be-
come too high a dangerous situation
may be created."

Agents Form Cannon Club

SALT LAKE CITY—Agents of Ben-
eficial Life, comprising members of the
Millionaire and Multi-Millionaire Clubs,
have formed a George J. Cannon Club,
with officers from the Pacific Coast and
intermountain states. To qualify agents
are required to produce \$500,000 of paid-
for business in 12 consecutive months.

Officers and charter members of the
new club are: President, Gilbert Udall,
St. Johns, Arizona; vice-president, Don
C. Wood, Berkeley, Cal.; secretary,
Homer Englestead, Hurricane, Utah; di-
rectors, David Petersen, Ogden, Utah;
M. M. Stewart, Eugene, Ore.; H. J.
Syphus, Salt Lake City, Utah; R. J.
Hill, Sacramento. Mr. Cannon, after
whom the club is named, is the com-
pany's executive vice-president.

Mack with Hays & Bradstreet

W. H. Mack, former Toledo casualty
man, now is associated in Los Angeles
with the Hays & Bradstreet agency of
New England Mutual. He recently com-
pleted 3½ years' service in the navy,
being released with the rank of lieu-
tenant commander.

Interim Committee to Meet

The joint California legislative interim
committee, created by the 1945 legisla-
ture to study insurance legislation in an
effort to meet state requirements of
public law 15, will meet in San Francisco
Sept. 10. Sen. J. J. McBride of Ventura
is chairman. Others on the committee,
which includes insurance agent mem-
bers of the legislature, are Senators W.
P. Rich and Roy R. Cunningham and
Assemblymen F. J. Waters, T. A. Ma-
loney and Raup Miller.

Round Table Elects Officers

LOS ANGELES—The Quarter Mil-
lion Round Table elected these officers:
President Robert C. Fyke, Occidental;
vice-president, J. H. Drummond, Pacific
Mutual; secretary, D. M. Smith, Penn
Mutual; treasurer, Sidney Kittridge,
New York Life.

Monarch Life of Winnipeg has ap-
pointed George E. Sharpe of Winnipeg
as a policyholders' director. Mr. Sharpe
is president of Sharpe's Ltd.

Write more accident business by sub-
scribing to The Accident & Health Re-
view, \$2 a year, 175 W. Jackson Blvd.,
Chicago.

NEWS OF THE COMPANIES

Report on Illinois Bankers Shows Good Experience

An examination report on Illinois
Bankers Life, Monmouth, Ill., shows
capital of \$200,000 and surplus of \$2,059,-
789. Total assets were \$29,596,121, an
increase during 1945 of \$997,741. In-
crease in surplus was \$451,972.

The report stated that cash position is

well maintained and new investments
during the period were limited to gov-
ernment bonds and some direct mort-
gages. Real estate owned, not under
contract, decreased from 21.9% of assets
to 4.7%. The company was commended
in disposing of its real estate holdings.

New business of Illinois Bankers in
the first six months for life and accident
and health was \$7,509,429, a gain of 82%
over the first six months of last year.

"SMALL ENOUGH TO BE

BIG"



Ours is not the largest of American life
insurance companies. It is not the oldest,
either. But, somehow, even without those
firsts, we think it has much to offer.

Our men in the field—they're a happy,
prosperous gang—have summed it up in the
words: "Small enough to be big!"

Factually, we're ninth oldest among
American life companies. But we enter our
99th year driven by a young, progressive
spirit that belies our age. This year, as last,
our business forges forward . . . and most
important, our biggest gains are still in
friendly service!

UNION MUTUAL

Life Insurance Company
PORTLAND MAINE HOME OFFICE

Roland E. Irish, President

Harland L. Knight, Agency Vice President

• • • LIFE • SICKNESS • ACCIDENT • GROUP • • •

THE MANUFACTURERS

COMPLETE BROKERAGE FACILITIES

All Life, Endowment and Annuity Plans.
Favorable Par. and Non-par. rates.
Standard and Sub-standard risks.
Facilities for handling large cases.
Civilian Foreign Travel Coverage.
Annuities — Single Premiums up to \$100,000.
Prompt and Efficient Service.

INSURANCE IN FORCE, 853 MILLION DOLLARS
(Including Deferred Annuities)
ASSETS, 295 MILLION DOLLARS

LIFE

INSURANCE COMPANY

HEAD OFFICE:
TORONTO, CANADA
Established 1887

T.W.I.
Confidentially
...It "CLICKS!"

CONFIDENCE is the hardest lesson for an agent to learn . . . the hardest quality for a manager to instill.

Our copyrighted "You, Inc." Training Plan (based upon the T.W.I.* method of instruction) charts each step in the learning process. Each phase of insurance selling is covered at the right time and with the proper emphasis.

T.W.I.* eliminates the discouraging "trial and error" process. It's designed to build confidence right from the start . . . and, confidentially, it CLICKS!

(*Training Within Industry)



New business in July is 300% ahead of July, 1945, more than \$2 million total volume.

The report was conducted for Illinois, Missouri, Texas, Iowa and Virginia.

John Marshall to Write Group Exclusively

John Marshall Ins. Co. of Chicago will soon be in shape to seek license in a number of states. Its head office is room 755, 332 South Michigan avenue, Chicago.

It will devote itself entirely to writing group coverages including hospital, accident and health, medical and surgery, loss of income and dental service. It embarks on an entirely new line in writing dental indemnity.

J. R. Mannix is president of the new company. He has been manager of the Plan for Hospital Care, the Chicago Blue Cross system. He is thoroughly informed as to the Blue Cross and its operations.

Marion Burks, vice-president, was formerly assistant insurance director of Illinois.

The company will follow quite closely the premium rates of the Blue Cross but it will add medical and surgery benefits. It will have some other added features. Therefore, John Marshall will be an active competitor of the Blue Cross.

John Marshall will have no limitation on hospitals that may be used. It simply indemnifies the policyholder and, therefore, all employees are on the same footing and there is no hospital participating in the plan. The company will have salaried solicitors visiting employers and, therefore, no commission will be paid. President Mannix does not believe in paying an agent commission on business of this kind. It will write group on either the contributory or non-contributory basis. It will not write individual policies.

Currier Portland Manager for Security L. & A.

Security Life & Accident has designated Tom E. Currier manager for western Oregon at Portland. Mr. Currier, a graduate of Oregon State college, was released last November as a navy lieutenant. Warren J. Butler is now district manager at Eugene, Oregon.

Founders F. & M. in New Office

LOS ANGELES—Founders Fire & Marine has taken occupancy of its new home office quarters in Suite 206, Pacific Mutual Life building. The new office occupies approximately 3,500 square feet and is fully equipped.

Conn. Mut. Names Savage in N. M.

John Savage has been appointed district manager for Connecticut Mutual at Roswell, N. M., and will take over there Sept. 1. He recently was discharged from service. Before the war he was with the company in the New Mexico field.

Reserve Enters Oklahoma

Reserve Life of Texas has been licensed in Oklahoma with Bart Lewis of Tulsa as special agent.

New Wash. Natl. Group Plan

A liberalized group plan will be put into effect Aug. 31 by Washington National for its industrial agents and their families. The benefits under group life and accident and health plans are being increased and hospitalization and surgical benefits are being added to the new plan which will replace the present group coverage.

Report on Family Protection Life

The Illinois department has issued a report of an examination on Family Protection Life, an assessment legal reserve

company of Peru. At Sept. 30, 1945, assets were \$62,371, unassigned funds \$2,576, guarantee fund certificates outstanding \$87,500. Insurance in force is \$2,044,257. I. J. Lasswell is president and E. H. Spear, secretary.

Sunset Active in NSLI Saving

Sunset has inaugurated an active program to aid veterans in doubt on G.I. insurance. Billboard advertising technique is being used in Seattle, Wash., to carry the message: "Veterans . . . KEEP YOUR GI INSURANCE!"

Speakers for Cleveland Rally

(CONTINUED FROM PAGE 1)

000 of life insurance on 261 lives. In 1943 he had pushed his production up to \$857,000 and the following year he began



Fred H. White

producing at the rate of more than \$1 million annually. Since 1944 he has closed a personal sale for \$3,779 every 21½ working hours. For the past 443 weeks, he has regularly produced more than \$5,000 per week. His second year renewal has always been higher than this company's average and his rejections have always been lower than 1%. Mr. Myrick has paid for \$2,103,644 in the year ending June 30. All of these records have been in Lake Charles, which normally has a population of 34,000. None of the business includes any pension trusts, wholesale or group insurance.

Mr. Myrick is a past president of the Lake Charles Life Underwriters Assn. and a qualifying and life member of the Million Dollar Round Table.

Mr. Syphus' Career

Harry Jay Syphus entered life insurance twenty years ago and joined Beneficial Life as general agent at Idaho Falls in 1934. As a result of his outstanding success he was called to the home office as superintendent of agencies in 1936. After eight years in that capacity he went back into field work and in 1944 was appointed home office general agent in Salt Lake City. His agency has already paid for more than \$3 million of business this year and Mr. Syphus is himself producing at the rate of more than \$1 million a year.

He is at present national committee-man for the Utah State Assn. and was recently elected president of the Utah State Managers' Assn.

Among the previously announced speakers for the N.A.L.U. gathering are Fred H. White, Connecticut Mutual Life, Buffalo, and Fred A. McMaster, general agent of Ohio National Life at Los Angeles.

Left Waiting at Church

WASHINGTON—Left "waiting at the church" by the House committee on banking and currency recently was Murray Waters, representative of American Life Convention, together with a number of other witnesses desiring to appear at hearings in opposition to the Wagner-Ellender-Taft housing bill.

Mr. Waters and others had expected to be heard, but instead, the committee closed its doors and went into executive session, leaving them waiting in the corridor, while it was being decided to drop the bill.

When it was considered by the Senate banking committee President Lewis Douglas of Mutual Life, appeared in opposition to the administration's policy of low interest rates.

Guardsmen's Gains in Outstanding Insurance
 7 months, equals gains for all of 1945.
 An' they weren't standing still, last year, either.

Gardian Life
 Insurance Company

Madison 1, Wisconsin

Association with live wires never cuts production down.

FOLLOW THESE STARS TO A BRIGHTER AND BETTER INCOME
 LIFE — HEALTH — ACCIDENT and HOSPITAL INSURANCE

- ★ Office Allowance
- ★ Renewals As Long As Business Is In Force
- ★ Commissions—Plus Cash Allowances
- ★ Agency Advertising and Development Fund
- ★ Home Office Co-operation in Training Field Men

We have some

REAL OPPORTUNITIES

for men who are looking for a chance to develop their own agencies. Territories open in MISSOURI, KANSAS, IOWA and NEBRASKA.

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O. R. Jackson, Vice-President

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Bidding-Up Process Plagues Farm Loan Field

With the total farm mortgage debt lower than at any time since 1914, life companies in this field find themselves increasingly faced with two developments that tend to increase still further the problem of getting a reasonable return on farm loans while keeping the investment on a conservative basis.

One of these is the fact that farmers have never before been in such good shape financially, which means that many are buying farms for all cash or with very large down payments, paying two-thirds to three-quarters in cash. Many loans that the companies have had on their books are being paid off either entirely or nearly so. These seasoned loans are likely to be among a company's best loans. It is sorry to lose them but there is nothing that can be done about it.

A Hopeful Sign

The farmer has more cash in the bank and in government bonds than ever before. The aggregate debt of farmers owed to banks for operating expenses is not the lowest ever, but compared with the scale of farm operations it is probably relatively lower than ever before. The hopeful sign, from the viewpoint of the insurance lender, is that when automobiles, tractors building materials, and farm equipment generally become more plentiful some of the cash now used for liquidating mortgage loans may be used for purchases now being deferred through necessity.

The other situation that concerns life companies in the farm loan field is the fact that so many farm buyers who are not paying all or a large part cash are shopping around to find the lender that will let them have the largest first mortgage. Not only are these buyers frequently successful in getting one company to offer a larger mortgage than another but frequently a company, hungry for mortgage loans, will jump in and raise a competitor's bid without even being asked to. The "inflation" in valuation for mortgage lending purposes is more pronounced than in the selling prices of farms. Some companies are lending more per acre than in the agricultural boom of 1920-21.

Prices Are Sporadic

There is a definite tendency toward inflation in farm land prices. Not only are prices high but there are unaccountable differences in prices that are characteristic of inflation. That is, one farm may sell for very substantially more than another farm in the same locality though both are virtually identical in every way. It indicates that purchases are not being made shrewdly.

As an indication of high prices, farm land in Illinois is selling at \$300 and more an acre, some as high as \$450. Five years ago it took a good farm in Illinois to bring \$200 an acre and only the very top farms brought \$250. In Iowa there is the same creeping trend. Some sales are being made at around \$300 an acre. Five years ago these would have sold for \$150, and \$175 would have been very high. At the same time the degree of inflation is nowhere near as bad as with city homes.

Although their farm loans are lower than at any time during the last 31 years, the life companies have experienced a relatively smaller reduction in their farm portfolios than have other large farm mortgage lenders. For example, the federal land banks and the

Federal Farm Mortgage Corp., which had an aggregate of about \$2.7 billion in 1940 have now less than half of that. Private lenders as a whole, including life companies, had 70% of the total farm debt on Jan. 1 of this year, as against 57% Jan. 1, 1940.

Life companies had \$884,312,000 in farm mortgages on Jan. 1, 1946 as against \$984,290,000 in 1940. The figure has been reducing since 1942. According to Department of Agriculture figures recently released the total farm debt has been reduced \$1.25 billion since 1940 now standing at \$5,081 million. The department pointed out that the 23% cut since 1940 was in sharp contrast to the situation during the first World War, when the farm mortgage debt increased 43% between 1915 and 1919.

Hartford Promoting Course

The Hartford C.L.U. Chapter is promoting the University of Connecticut C.L.U. study courses—and hopes to get enrollment of from 20 to 25 in the starting group this fall. Sessions will be held weekly for 15 weeks in two semesters, and will be of two hours' duration. A course on banking and finance will be given separately this year at the university.

Illinois Bar Committee

Sam Levin of Chicago has been reappointed chairman of the insurance committee of the Illinois Bar Association. Vice-chairman is Chase M. Smith, general counsel Kemper companies, and secretary J. Thor Wanless, Springfield. Other members of the committee are: Clarence W. Heyl, Peoria; David J. Kadyk, Chicago, and Paul E. Price, Chicago. Karyn Kennedy of Bloomington is president of association.

Insurance Controllers Confer

Charles H. Yardley, comptroller of Penn Mutual Life has been appointed chairman of the industry conference of insurance controllers which will be a part of the annual meeting of the Controllers Institute of America, at the Hotel Commodore, New York, Sept. 15-18.

Paid Premiums Increase 51%

The Fred M. Exline agency of Connecticut General Life in Columbus reported a 51% increase in paid premiums for new insurance in the first seven months of 1946 as compared with the same period in 1945. Six members of the agency have qualified for the honor roll this year.

German Issuance Slumps

The military governor of the U. S. zone in Germany reports that during May issuance of new life policies in that country was decelerated. New income tax laws which no longer permit deductions for life insurance premiums and the continuance of rumors concerning currency devaluation were termed major factors in this decline. However, it was reported that premium payments are still regular and total collections for January and February, 1946, compare favorably for those of the corresponding months of 1945.

New England Mutual's Smith & Wharff general agency at Columbus, O., held their annual stag party July 11.

Reorganize Mutual Benefit Policy Issue Procedure

Mutual Benefit has reorganized policy issue procedure under a new department of issue. Dr. Walter A. Reiter, vice-president and medical director, will head the department, which comprises the underwriting division; the policy division, which is composed of issue and policy change sections; and the records and examiners division.

Arthur Lesser, assistant secretary, directs the policy division. Mr. Lesser

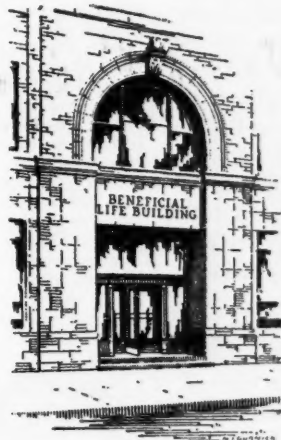
has 44 years experience in new business operations of the company.

Harry Petty will direct the underwriting division as supervisor. He joined Mutual Benefit in 1929 and began underwriting two years later.

Mr. Graether, who will direct the records and examiners division as supervisor, has been with the Mutual Benefit since 1905.

Write more accident business by subscribing to The Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

1905



1946

*The Purpose of Beneficial Life
Underwriters Is
To Serve Human Needs*

**BENEFICIAL LIFE
INSURANCE COMPANY**

GEORGE ALBERT SMITH, President

SALT LAKE CITY, UTAH

GLOBE LIFE INSURANCE COMPANY OF ILLINOIS

Offers Illinois Agents
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VERY ATTRACTIVE CONTRACTS

**COMPLETE LIFE INSURANCE
COVERAGE—AGES 0-60**

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431 South Dearborn St., Chicago, Illinois
WM. J. ALEXANDER, PRESIDENT

First Six Months' Record Shown

Acacia Mutual Life.....	59,393,915	48,070,264	31,851,454	36,071,855
Amer. Hospital & Life.....	2,887,979	1,953,809	1,835,376	1,221,049
Mutual Life, Canada*.....	49,101,114**	31,378,222**	36,933,968	21,520,108
Penn Mutual Life.....	17,695,077	12,349,345	9,519,174	7,110,692

*Ordinary only.

**Includes Increases.

SERVICE BASED ON PLUS VALUES

A member of Royal Neighbors of America recently evaluated her membership in the society as follows: "I value my membership in Royal Neighbors of America because for 35 years I have had safe insurance protection, the fellowship of our society and am assured a home in my declining years."

The Royal Neighbor home and fellowship are but two of the PLUS values of Royal Neighbor legal reserve fraternal life insurance. The other PLUS values include a real fraternal spirit and program, camp activities, fraternal aid from a special fund, a free health service and the Royal Neighbor magazine.

These features, beyond the realm of protection, make it possible to describe the service of Royal Neighbors of America as "Life Insurance with a Heart".

ROYAL NEIGHBORS OF AMERICA

SUPREME OFFICE, ROCK ISLAND, ILL.

A LEGAL reserve fraternal life insurance society for all Lutherans on 3% American Experience reserve basis. Twenty-eight years old—\$138,755,513.00 in force. Mortality experience 1945—32.70%. Rate of assets to liabilities—109.13%.

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Our new agents' contract, with retirement program, has been enthusiastically received by our agency force.

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Address your letter of inquiry to
THE SUPERINTENDENT OF AGENCIES

LUTHERAN BROTHERHOOD

LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

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608 Second Ave. So., Minneapolis 2, Minnesota

"Since 1868"—the best in Life Insurance Service for Catholics

CATHOLIC



FAMILY PROTECTIVE LIFE ASSURANCE SOCIETY
710 N. WATER STREET - MILWAUKEE 2, WIS.
Whole Family Life Insurance for Catholics

Bill Thurman Now Agency Chief

(CONTINUED FROM PAGE 1)

entered the business immediately after completion of his schooling at Dallas in 1915, when he joined Phoenix Mutual at Cleveland. He served overseas during the first war and remained abroad with the army of occupation until 1920 when he resigned with the rank of captain of infantry.

Became Field Service Manager

After his release, he entered the management field of insurance and in 1937 the Mutual Benefit brought him to the home office as field service manager. In that capacity he was instrumental, with three other men, in developing the An-lagrap, the company's programming procedure, and in extending it to the agencies. In 1940 he supervised the setting-up of the multiple-agencies at New York, and in conjunction with this work operated the home office agency there for two years.

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Youngest Vice-president

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FRATERNALS

W.O.W. Juvenile Drive Produces \$3¾ Million

More than 4,000 boys were enrolled and nearly \$3¾ million of juvenile insurance was written by Woodmen of the World Life, Omaha, field men in "Tomorrow's Builders" juvenile membership campaign of two months that ended July 15. President Farrar Newberry stated this was one of the most important activities of the society this year.

"We must look to the younger generation to maintain and carry forward the society's fraternal and protection program in the future," he said. "It is therefore highly important to increase the strength of our juvenile membership and our Boys of Woodcraft units."

Texas field men reported 823 new juvenile members enrolled and \$751,000 new juvenile insurance written. J. T. Vickery, Cordova, Ala., secured 102 juvenile members for \$101,500 volume; N. T. Lee, Sherman Tex., 125 for \$95,000; M. V. Salaiz, San Antonio, 68 for \$69,000; Pedro Gonzales, Victoria, Tex., 64 for \$64,000; T. J. Abrego, San Antonio, 55 for \$52,000.

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Other field leaders were Mrs. B. V. Rienzi, Los Angeles, 76 applications for \$76,000; W. N. Bagwell, Atlanta, 74 for 73,000; A. B. Guillory, Mamou, La., 47 for \$47,000; H. M. Webster, Chattanooga, 48 for \$44,500; D. B. Yarley, Savannah, Ga., 39 for \$44,000.

Fifty other field people reported \$10,000 to \$41,000 of juvenile in the campaign.

Retains Dividend Scale

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Cobb Named Georgia Manager

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Now Will Write \$10,000 Policy

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Plan Marketing Course

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The August meeting was addressed by Vic Curtis, manager of American Service Bureau who reported on the origin of current applications.

Tell "Fat Man" Why He Is Poor Risk

London Life, in an article in its publication "Topics," gives its agents information about insuring overweight persons which can be used to convince skeptical fat, and overly thin men as well, that they are fortunate to be insured on any basis.

Conceding that everyone loves a fat man, the company nevertheless points to statistics which show that fat people are poorer risks than those with normal weight and therefore should pay higher premiums.

One of the first obvious facts gleaned from examination of these statistics is that overweight at most ages is a much more serious characteristic than underweight. Tables show, however, that the thin man cannot rejoice under age 45, at which time his mortality future becomes brighter than that of average weight persons, remaining so for the rest of his life.

Why Premium Is Higher

"Let's take an example," the article says. "Suppose we have a fat friend who has been issued a rated policy which we are trying to place. He objects to the rating, but we are able to show him that he is, say, 25% over average weight. Suppose he is now age 30. His extra premium this year, on a pure term basis, should be a third greater than for a normal-weight person. Later, at ages 35, 40, 45, and so forth, the premium he could expect would be 50% greater. In other words 25% overweight usually means 50% greater mortality. Yet the premium he is actually charged is not 50% greater than standard. He's really getting a bargain."

The article goes on to say that overweighters are unfortunately more susceptible to a number of serious diseases than are people of normal weight. Many eventually develop an associated diabetes, hypertension and early arteriosclerosis with resulting coronary artery involvement.

Good Results from Ratings

If the obese prospect becomes overly dejected upon receipt of such information from the agent it is possible to offer him basis for optimism in that expert life insurance medical men have observed that much good has come from ratings imposed on overweight applicants. Many so classified begin to realize what overweight means to the company and as a result make efforts to reduce to get and keep within standard limits. By doing this many fat persons forestall serious afflictions rising out of their obesity.

Selected Risk Rate Basis

The company emphasizes that ratings now being made on applicants who are overweight are particularly favorable since they are based on insured lives. Only the most desirable of overweight risks are accepted for insurance. And in considering the general population a much higher mortality rate is observed. Despite the higher premiums fat persons therefore can be told how well off they are to get insurance at all.

Occidental Employees' Picnic

Some 400 home office employees of Occidental Life attended an all-day picnic at Valley Park Country Club in Sherman Oaks, Cal., as guests of the company. President Clarke told of the company's growth in an informal talk. He noted that virtually all Occidental employees who went to war have returned unharmed. After sports and entertainment events there was a barbecue dinner and dance. Miss Rita Enright, stenographer in the agency administration department, was chosen "Miss Occidental of 1946" in a beauty contest judged by Leslie K. O'Face, of 20th Century-Fox studios new talent department, and Hal Lawrence, advertising man and former artist.

Supplement Crosser Bill Benefits

(CONTINUED FROM PAGE 3)

ing the accident and sickness benefits will eventually be on an unsound basis. Thus, ironically a bill that was fashioned to put the railroad retirement fund on a sound basis, ended up by menacing the two systems combined.

Under the Crosser bill amendment, the total of employer-employee contributions for both retirement or unemployment funds can reach a maximum of 15½% of payroll of which 9¼% would be borne by the employer. Previously the maximum payroll levy for both systems combined was 8½%.

Some actuaries who have studied the matter predict that the combined system will be in the red in another year or year and a half, and that eventually a combined payroll levy of 18¼% will be needed.

Non-Vocational in Effect

Reports that circulated extensively the first few days after the bill was passed were to the effect that the accident and sickness unemployment benefits were for non-vocational disabilities only. However, that is not the case. The bill makes no distinction as to the origin of the disability. However, it does provide that the railroad unemployment compensation fund shall recover any amounts payable to the employee by way of workmen's compensation benefits up to the total amount for which the railroad fund is liable. Thus there is no pyramiding of unemployment compensation and workmen's compensation benefits as there is, for instance, under the Rhode Island health insurance plan.

This means in effect that the new coverage in the Crosser bill is non-vocational in character because by and large an employee injured in line of duty will be receiving workmen's compensation benefits that are as large or larger than he would receive from the railroad unemployment compensation fund, and he gets to keep only the higher amount, not both.

Hence railroad accident and health insurance people believe they have an opportunity to devise something in the way of coverage that will enable them to go ahead successfully. The keystone of the package would be benefits for occupational disabilities along with principal sum and capital sum benefits, surgical cover, hospitalization insurance and possibly medical and dental costs.

Previously \$20 for 20 Weeks

Previously the straight unemployment compensation benefits that were dissociated entirely from accident and sickness were for a maximum of \$20 a week for a maximum of 20 weeks.

Those close to the situation say that the rank and file of railroad workers were not cognizant of what was contained in the Crosser bill and they were not demanding these accident and sickness benefits. What they desired primarily and some say, exclusively, was improvement of the retirement system. They want a greater security for their later years and preferred to make their provisions for accident and sickness coverage privately. As a matter of fact, some say there is an undercurrent of deep resentment against what has been done, on the theory that by adding the accident and sickness provision, the whole railroad security program may be placed in jeopardy, or, at least, may be made so costly that there will not be much chance in the future of getting improved retirement benefits.

One surmise is that promise of legislation like the Crosser bill was given by President Truman in the railroad wage settlement, but that this feature was not publicized at the time and was not made known to the rank and file of railroad labor.

The unemployment accident and sickness benefits do not become effective until July 1, 1947, so the private insurance companies have several months in which

to appraise the situation, ascertain the desires and needs of the railroad workers and seek to design some policy provisions that will prove to be an attractive supplement to the Crosser bill benefits.

Those specializing in railroad insurance have scarcely had time to get their wits together from the stunning blow of the enactment of the Crosser bill. It was not generally expected that the bill would be passed and the maneuvering that was done by Senator Barkley to bring about its enactment caught everyone by surprise. The bill and its amendments are lengthy and complicated and various analyses that have been hurriedly made so far produce varied results. In due time there will emerge a translation of the legislative action into decipherable results and then the insurance companies that are interested in this important line will be better able to tell whether there is anything that they can put out in the way of supplementary coverage that will be attractive to railroad men. Offhand some of the insurance people in this line feel confident that something of this kind could be worked out.

Present Policies Outlined

The policies sold to railroad employees by most of the companies specializing in that field are very similar. They provide first day cover for accident and sickness and for both on and off the job accidents. The principal sum that may be purchased ranges from \$1,000 to \$5,000. The most popular combination is \$1,000 of principal sum and \$60 a month for loss of time benefits. For this the premium ranges from \$3 to \$5 per month depending upon the classification of the employee.

The insurers operate under a franchise with the railroads and they receive their premium remittances promptly from the railroad which makes a payroll deduction.

The franchise arrangements between the insurance companies and the railroads are not usually on an exclusive basis. Two or three or four companies may have a franchise with the same railroad and will be soliciting their employees.

Little Group Cover

Group insurance has not been applied very extensively in the railroad field. It is said that the various railroad brotherhoods are not enthusiastic about group insurance. There are some exceptions. The Illinois Central has group life and group disability contract with Continental Assurance and the Wabash has similar arrangements with Metropolitan Life.

Benefit Association of Railway Employees, Chicago, is said to be the largest insurer of railroad workers. About 60% of its premiums are from railroad personnel. Continental Casualty is believed to be second in volume, Provident Life & Accident, third and Pacific Mutual Life fourth.

There are a number of other insurers that also engage in this activity including Travelers, Washington National, Order of Railway Employees of San Francisco that specializes in Santa Fe and Southern Pacific; insurance department of Brotherhood of Railway Trainmen, Cleveland, and New York Central Mutual Relief.

Certain railroads including Pennsylvania and Burlington have their own relief associations and do not have franchise arrangements with regular insurance companies. Any insurance sold to their employees is on a cash basis.

It is said that about 80% of the railroad employees are covered for accident and sickness insurance.

Criticism of Rep. C. F. Lea

Rep. Clarence F. Lea in a memorandum on the Crosser bill July 12 stated: This bill would create an annual deficit based on the level payment plan, of about \$100 million a year. Under the

law, this would be a charge against the federal treasury.

The bill provides benefits for railway employees out of all proportion to what would be possible in a general social security plan for employees of the nation. If similar benefits were provided for 45 million employees in the nation, the aggregate cost would be over \$20 billion a year.

The bill is very inadequately financed, even though it provides for an eventual tax rate of 12½% for retirement and 3% for unemployment, making a total of 15½% of payroll.

Actually the retirement tax should be 14% to be on a sound actuarial basis. The unemployment system should carry a tax rate of 4% to support the sickness and maternity benefits. This would make a total necessary tax rate under the bill of 18% of payroll, whereas only 15½% is provided for, leaving a deficiency of 2½% in the tax rate, which is equivalent to about \$100 million a year.

The sound financing of the bill would require a tax against the employees and the carriers of over \$700 million a year on the basis of the present annual payroll of about \$4 billion.

The tax collected last year was about \$110 million.

The bill provides unemployment benefits for 26 weeks for all unemployed, which is 6 weeks more than under the present law.

The bill provides unemployment payments at a maximum rate of \$25 a week, whereas social security allows, in most states, \$20 or less per week.

The federal government allows our service men only \$20 a week.

The railroad system gives very large benefits for partial unemployment. Even full benefits are paid if the individual works at full wages for two days each week, whereas in state systems any small amount of employment will usually disqualify the worker from all or most of his benefit.

The bill allows for sick benefits at the sole expense of the employer for a maximum of 26 weeks at the same rate as for unemployment. This is an innovation in unemployment insurance plans inasmuch as no connection with employment is required to qualify the applicant and the expense is borne by the employer without any contribution from the employees, and even though the sickness may be due to misconduct of the employee.

Under the bill an employee who has left railroad employment for as much as two years can draw unemployment insurance or sickness benefits.

Under the bill, maternity benefits are allowed for 16 weeks at rates higher

than for unemployment, at the sole expense of the employer.

Unemployment benefits and sick benefits may be charged against the unemployment fund alternately, making a possible gross payment of as much as 51 weeks per year for a single employee.

A woman out of employment with the carriers for as much as two years would be entitled to draw maternity benefits for 16 weeks for a pregnancy that took place when she was not in such employment.

The bill creates survivor benefits in favor of the widow and dependents, at rates about 25% higher than are allowed under social security.

When survivorship rights were created under the social security act, reductions were made from the retirement pay of the employees. No such reduction is made under the Crosser bill.

Survivorship Allowances

Under the bill, credit for survivorship allowances are made in favor of the dependents of those who made no contribution whatever to the retirement fund and for periods in which the employer made no contribution.

This retroactive feature creates liabilities against employees and employers alike when there was no such obligation on them by contract or by law.

This provision is definitely unconstitutional as held by the Supreme Court several years ago.

The bill provides a complicated and what seems to be an impractical system of integrating payments between the different agencies of the government in carrying out the social security and the railroad retirement plans. It complicates the administration of the finances and admittedly increases the difficulties of administration.

The bill creates disability benefits regardless of employment connection with the carriers or whether the disability had any relation to any injury or disability suffered by reason of the employment.

Under this bill, a former employee who has been out of railroad employment as much as 20 or 30 years might hold the employer responsible without any further relationship.

The bill, with little justification, brings into the coverage of the act a large number of business concerns which have little if any important relation to rail transportation. It subjects these concerns to retirement and unemployment taxes greatly in excess of those now levied against them under the social security act.

The Treasury Department protests these provisions on the grounds that they are so indefinite and uncertain as

Question: Why does everyone praise **BALTIMORE HOSPITALITY?**

Answer: Because, for more than 200 years, Baltimoreans have been making a real effort to live up to the gracious reputation established by the Cavaliers.



The Lord Baltimore Hotel, Baltimore's largest, always has upheld this tradition. 700 comfortable rooms . . . all the facilities and services that travelers expect . . . and a genuine willingness to please each guest . . . have made it "Host to Most Who Visit Baltimore."

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Previously \$20 for 20 Weeks

Previously the straight unemployment compensation benefits that were disassociated entirely from accident and sickness were for a maximum of \$20 a week for a maximum of 20 weeks.

Those close to the situation say that the rank and file of railroad workers were not cognizant of what was contained in the Crosser bill and they were not demanding these accident and sickness benefits. What they desired primarily and some say, exclusively, was improvement of the retirement system. They want a greater security for their later years and preferred to make their provisions for accident and sickness coverage privately. As a matter of fact, some say there is an undercurrent of deep resentment against what has been done, on the theory that by adding the accident and sickness provision, the whole railroad security program may be placed in jeopardy, or, at least, may be made so costly that there will not be much chance in the future of getting improved retirement benefits.

One surmise is that promise of legislation like the Crosser bill was given by President Truman in the railroad wage settlement, but that this feature was not publicized at the time and was not made known to the rank and file of railroad labor.

The unemployment accident and sickness benefits do not become effective until July 1, 1947, so the private insurance companies have several months in which

to appraise the situation, ascertain the desires and needs of the railroad workers and seek to design some policy provisions that will prove to be an attractive supplement to the Crosser bill benefits.

Those specializing in railroad insurance have scarcely had time to get their wits together from the stunning blow of the enactment of the Crosser bill. It was not generally expected that the bill would be passed and the maneuvering that was done by Senator Barkley to bring about its enactment caught everyone by surprise. The bill and its amendments are lengthy and complicated and various analyses that have been hurriedly made so far produce varied results. In due time there will emerge a translation of the legislative action into decipherable results and then the insurance companies that are interested in this important line will be better able to tell whether there is anything that they can put out in the way of supplementary coverage that will be attractive to railroad men. Offhand some of the insurance people in this line feel confident that something of this kind could be worked out.

Present Policies Outlined

The policies sold to railroad employees by most of the companies specializing in that field are very similar. They provide first day cover for accident and sickness and for both on and off the job accidents. The principal sum that may be purchased ranges from \$1,000 to \$5,000. The most popular combination is \$1,000 of principal sum and \$60 a month for loss of time benefits. For this the premium ranges from \$3 to \$5 per month depending upon the classification of the employee.

The insurers operate under a franchise with the railroads and they receive their premium remittances promptly from the railroad which makes a payroll deduction.

The franchise arrangements between the insurance companies and the railroads are not usually on an exclusive basis. Two or three or four companies may have a franchise with the same railroad and will be soliciting their employees.

Little Group Cover

Group insurance has not been applied very extensively in the railroad field. It is said that the various railroad brotherhoods are not enthusiastic about group insurance. There are some exceptions. The Illinois Central has group life and group disability contract with Continental Assurance and the Wabash has similar arrangements with Metropolitan Life.

Benefit Association of Railway Employees, Chicago, is said to be the largest insurer of railroad workers. About 60% of its premiums are from railroad personnel. Continental Casualty is believed to be second in volume, Provident Life & Accident, third and Pacific Mutual Life fourth.

There are a number of other insurers that also engage in this activity including Travelers, Washington National, Order of Railway Employees of San Francisco that specializes in Santa Fe and Southern Pacific; insurance department of Brotherhood of Railway Trainmen, Cleveland, and New York Central Mutual Relief.

Certain railroads including Pennsylvania and Burlington have their own relief associations and do not have franchise arrangements with regular insurance companies. Any insurance sold to their employees is on a cash basis.

It is said that about 80% of the railroad employees are covered for accident and sickness insurance.

Criticism of Rep. C. F. Lea

Rep. Clarence F. Lea in a memorandum on the Crosser bill July 12 stated:

This bill would create an annual deficit based on the level payment plan, of about \$100 million a year. Under the

law, this would be a charge against the federal treasury.

The bill provides benefits for railway employees out of all proportion to what would be possible in a general social security plan for employees of the nation. If similar benefits were provided for 45 million employees in the nation, the aggregate cost would be over \$20 billion a year.

The bill is very inadequately financed, even though it provides for an eventual tax rate of 12½% for retirement and 3% for unemployment, making a total of 15½% of payroll.

Actually the retirement tax should be 14% to be on a sound actuarial basis. The unemployment system should carry a tax rate of 4% to support the sickness and maternity benefits. This would make a total necessary tax rate under the bill of 18% of payroll, whereas only 15½% is provided for, leaving a deficiency of 2½% in the tax rate, which is equivalent to about \$100 million a year.

The sound financing of the bill would require a tax against the employees and the carriers of over \$700 million a year on the basis of the present annual payroll of about \$4 billion.

The tax collected last year was about \$410 million.

The bill provides unemployment benefits for 26 weeks for all unemployed, which is 6 weeks more than under the present law.

The bill provides unemployment payments at a maximum rate of \$25 a week, whereas social security allows, in most states, \$20 or less per week.

The federal government allows our service men only \$20 a week.

The railroad system gives very large benefits for partial unemployment. Even full benefits are paid if the individual works at full wages for two days each week, whereas in state systems any small amount of employment will usually disqualify the worker from all or most of his benefit.

The bill allows for sick benefits at the sole expense of the employer for a maximum of 26 weeks at the same rate as for unemployment. This is an innovation in unemployment insurance plans inasmuch as no connection with employment is required to qualify the applicant and the expense is borne by the employer without any contribution from the employees, and even though the sickness may be due to misconduct of the employee.

Under the bill an employee who has left railroad employment for as much as two years can draw unemployment insurance or sickness benefits.

Under the bill, maternity benefits are allowed for 16 weeks at rates higher

than for unemployment, at the sole expense of the employer.

Unemployment benefits and sick benefits may be charged against the unemployment fund alternately, making a possible gross payment of as much as 51 weeks per year for a single employee.

A woman out of employment with the carriers for as much as two years would be entitled to draw maternity benefits for 16 weeks for a pregnancy that took place when she was not in such employment.

The bill creates survivor benefits in favor of the widow and dependents, at rates about 25% higher than are allowed under social security.

When survivorship rights were created under the social security act, reductions were made from the retirement pay of the employees. No such reduction is made under the Crosser bill.

Survivorship Allowances

Under the bill, credit for survivorship allowances are made in favor of the dependents of those who made no contribution whatever to the retirement fund and for periods in which the employer made no contribution.

This retroactive feature creates liabilities against employees and employers alike when there was no such obligation on them by contract or by law.

This provision is definitely unconstitutional as held by the Supreme Court several years ago.

The bill provides a complicated and what seems to be an impractical system of integrating payments between the different agencies of the government in carrying out the social security and the railroad retirement plans. It complicates the administration of the finances and admittedly increases the difficulties of administration.

The bill creates disability benefits regardless of employment connection with the carriers or whether the disability had any relation to any injury or disability suffered by reason of the employment.

Under this bill, a former employee who has been out of railroad employment as much as 20 or 30 years might hold the employer responsible without any further relationship.

The bill, with little justification, brings into the coverage of the act a large number of business concerns which have little if any important relation to rail transportation. It subjects these concerns to retirement and unemployment taxes greatly in excess of those now levied against them under the social security act.

The Treasury Department protests these provisions on the grounds that they are so indefinite and uncertain as

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to create many uncertainties and difficulties of administration.

U. S. CHAMBER ANALYSIS

WASHINGTON — The amendment to the railroad retirement act "holds significance for other industries," said the U. S. Chamber of Commerce, "by making a pattern for possible broader revision of social security."

"Under the rail unemployment insurance program (1) maximum daily benefits are increased from \$4 to \$5, (2) maximum duration raised from 20 to 26 weeks, (3) maximum amount payable boosted from \$400 to \$650, and (4) payments for unemployment caused by non-occupational sickness or injury is provided."

"Cash sickness benefits will be paid by railroads out of taxes previously collected for unemployment compensation. Disability benefits are increased. Taxes are increased to a maximum of 15.5% (9.25% from employer and 6.25% from employee)."

Rule on Suspending Pension Payments

WASHINGTON—In response to request for advice "as to the applicability of a ruling regarding qualification of an employee's stock bonus, pension, profit-sharing, or annuity plan under section 165 (A) of the internal revenue code, as amended, if the employer contributions

are suspended or partially suspended for any year pursuant to a provision with respect thereto contained in the plan but the plan is not explicitly amended or terminated," Internal Revenue Deputy Commissioner McLarney has ruled as follows in PS No. 57.

In the case of a pension or annuity plan, the applicability of a prior ruling as to qualification of the plan under section 165 (A) will not be affected by suspension of employer contributions if the benefits to be paid made available under the plan are not affected at any time by the suspension and if the unfunded past service cost at any time (which includes any unfunded prior normal cost and unfunded interest on any unfunded cost) does not exceed the unfunded past service cost as of the date of establishment of the plan.

Unfunded Past Service Cost

For this purpose the unfunded past service cost may be determined by methods, factors, and assumptions appropriate as a basis of deductions under section 23(P) (1) (A) (11). A ruling as to qualification under 165 (A) does not, however, apply to the plan if a subsequent suspension of employer contributions affects benefits to be paid or made available thereunder at any time or if the unfunded past service cost at any time exceeds the unfunded past service cost as of the date of establishment of the plan. Suspension of contributions in such cases will be treated as a termination or partial termination of the plan.

The employer and the trustee should notify the commissioner regarding suspensions in such cases in order that a redetermination regarding qualification of the plan under section 165 (A) may be made.

In the case of a profit-sharing or stock bonus plan, if contributions of the employer are not made in accordance with a definite formula provided in the plan without regard to indefinite conditions, any prior ruling is inapplicable the employer and the trustee should notify the commissioner in such cases in order that a redetermination regarding qualification of the plan under section 165 (A) may be made.

Conversion Privilege in Group Policy Construed in Illinois Case

In *Christofferson vs. General Motors* the conversion privilege in a group policy came in for interpretation by the Illinois appellate court. General Motors was sued for breach of an alleged "contract duty" to insure and beneficiary under a group insurance policy. Decedent was employed by General Motors and served as a salesman until Nov. 1, 1936, when he was promoted to assistant sales manager. Salesmen were permitted to take out \$2,000 group insurance, but when decedent was promoted he applied for and was issued \$20,000 under the group plan. Both policies carried a conversion privilege providing that in case of termination of employment for any reason the group insurance would cease, but he could apply within 30 days after such termination for an individual policy at least equal to the group policy.

Demoted for Illness

Decedent suffered a paralytic stroke in May, 1937, and subsequently was returned to his position as a salesman. He applied then for a \$2,000 group policy and worked as a salesman until March, 1938. Though frequently requested to do so, he failed to surrender the \$20,000 policy. The \$2,000 policy was sent him with the advice that it superseded the larger policy. After insured's death in July, 1938, suit was instituted on the basis that employment ceased July 1, 1937.

Other Charge by Beneficiary

The beneficiary also charged that the decedent was mentally incompetent on that date, and that General Motors therefore had the duty of advising him or the beneficiary in due time by letter or otherwise of his conversion option and to help protect the conversion rights. The trial court found that decedent's mental incompetency to deal with the transaction was not proved and that if he were incompetent on July 1, 1937, he recovered sufficiently in ample time to permit him to acquire any right offered under the conversion privilege clause.

Wilkarpz and Hirsch appeared for the plaintiff, and Taylor, Miller, Busch and Boyden for General Motors.

Surprise for Metropolitan

NEW YORK—Metropolitan Life executives were surprised this week to learn from front-page stories in New York City newspapers that the company was going to finance the \$50 million superlative shopping, amusement and office building center to be constructed in Queens, not far from the site of the former world's fair.

However the financing of the buildings, which will include three 10-story office buildings, has not been contracted for and Webb & Knapp, the real estate firm that is promoting the project, has not offered the financing to anyone as yet. The reporters who quoted the firm's head as saying Metropolitan would finance the construction were apparently misled by the fact that Metropolitan had lent money for the purchase of half a dozen or so parcels of land that was bought during the last four years,

Canadian Warns of Inflation

The average Canadian's liquid resources have more than tripled since 1939 and are more than six times the figure in 1926, but that very fact holds the seeds of danger, the Canadian Life Insurance Officers Association was told recently by J. T. Bryden, executive assistant of North American of Canada.

"We might wish," he said, "that this large increase in the volume of money and government bonds were somewhat smaller. We could have too much. The acceptability of money rests upon confidence in its command over goods and services and confidence in government. History affords plenty of examples as warnings against inflation of the money supply."

Inflationary pressures are particularly dangerous now, said Mr. Bryden, because they have been held back so long and because Canadians, with the patriotic urge of war gone, are much concerned with their individual situations.

Most of the money came from the war and we are richer only in that we have preserved our liberties and our freedom, he said. Because we didn't pay for the war entirely, we now have this large amount of liquid resources and are not wealthier by that amount.

Mr. Bryden said that the situation partly explains the high volume of life insurance sales and will explain the very large volume that hasn't been written yet. To meet future demands, "the life insurance business will need more men, thoroughly trained; wider market research; increased efficiency and economy of administration to ensure policyholders the best possible product at least possible cost; and above all, we must see that life insurance in Canada continues to perform an economically and socially useful job, fulfilling an essential human need."

Half Pint of Liquor in Car Doesn't Invalidate Cover

The mere fact that there was a half-pint of liquor in a policyholder's automobile at the time of the collision which caused his death does not entitle an insurer to deny liability because of the policy provision excluding death "while the insured is engaged in any violation of law," the Mississippi supreme court held in *Lamar Life vs. Bounds*. The case involved a claim under the double indemnity provision.

The court held that the liquor had no causal connection whatever with the collision and death and did not materially increase the risk. The life company contended that no causal connection had to be shown. The beneficiary, however, pointed out that the right to deny liability depends on whether death is an occurrence "resulting from" the excluded activities. The beneficiary also contended that any purchaser of a policy would normally understand that there must be some causal connection. The court affirmed the judgment for the plaintiff.

The court pointed out that there are so many statutes and regulations that few would accept a policy that could be invalidated by some violation having no causal connection and not seriously increasing the hazard. The case is reported in 11 CCH Life Cases, 792.

but these loans covered less than 10% of the land involved.

In view of the size of the project it is of course, entirely possible that Metropolitan or some other large company may lend money for the construction of buildings but at both Metropolitan and Webb & Knapp it was stated definitely that there was no commitment on the construction financing.

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Listings in This
Actuaries' Column
Bring Results

Blood Pressure, like steam pressure



in a boiler, goes up and down, so don't worry if yours is

temporarily high,



particularly during periods of

stress. However, if it frequently gets *above normal*, or

stays there, the heart



must work harder and ul-

timately may be impaired. The blood vessels are also put

under greater strain which may affect brain, eyes,



kidneys, and other organs. Fortunately, medical science

is on the march



against high blood pressure.

When caught in time, high blood pressure may be controlled or possibly eliminated.

The likelihood of having high blood pressure may be lessened if you follow your doctor's advice as to normal, healthful living and have regular, periodic medical examinations.

If an elevation of the blood pressure develops, these examinations will detect it in the early stages and permit measures which may keep it in check. Your doctor may advise as to diet, rest, reasonable exercise, elimination of infections, avoidance of continued mental or physical strain, and *getting your weight down to normal*.

Medical scientists are continuing to study new methods through which high blood pressure may be even more effectively combatted. Some authorities believe the kidneys play a vital part in certain high blood

pressure cases and that these patients may be helped through special diets and limitation of liquids. New surgical techniques at times have proved effective for selected cases. Psychotherapy is another method under consideration. There also is hope that new drugs may be developed which will be helpful.

One hundred and forty eight life insurance companies have formed the Life Insurance Medical Research Fund. This is making grants to help finance research projects relating to diseases of the heart and blood vessels, including high blood pressure.

To learn more about high blood pressure, its effect upon your heart, and how to guard against it, send for Metropolitan's free booklet, "*Protecting Your Heart*."

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Metropolitan Life Insurance Company

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True Stories about the Crop that never Fails

THE CHECK THAT SAVED A FARM AND KEPT A FAMILY TOGETHER



*It was for \$8,634.73 but it looked
like a million to the Johnsons*

THIS STORY carries an Iowa dateline. But stories like it happen almost every day in towns and villages throughout the nation.

A farmer named Johnson loved his family and his farm. He had worked that farm for thirty-five years and it had paid him a mighty good living. Johnson would no more have parted with that farm than his good right arm. His family felt the same way about it; they loved it, too.

And there were five children in that happy, contented family. Johnson felt that his life was full indeed. He had just about everything he'd ever wanted.

An evening visitor

One evening a man called and introduced himself as a special agent of Northwestern Mutual. He showed Mr. and Mrs. Johnson how they could protect that farm and their family with life insurance. The low net cost of such protection surprised the Johnsons, just as it does everybody who takes the trouble to look into it.

NORTHWESTERN MUTUAL
Life Insurance —————

The Crop that never Fails

"You see," said the Northwestern Mutual agent, "You pay life insurance money to protect your loved ones, to make sure that your farm remains in your family's hands if you should die, but all the time you're paying for this guaranteed protection, the cash value of your policy is increasing. If poor times come, you can borrow money on that cash value and still keep the policy in force. A lot of people overlook the cash value part of life insurance."

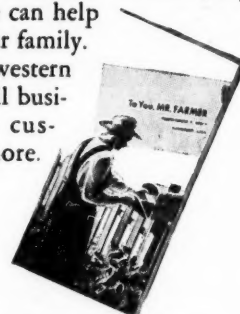
Well, the Johnsons took the Northwestern Mutual policy recommended by the agent. Northwestern Mutual dividends reduced the premiums considerably. The cash value of the policy increased so that there was a sizable cash reserve if needed.

The check that looked like a million

One day, long before the policy was paid-up, Mr. Johnson met with a fatal accident. Within a few hours, the Northwestern Mutual agent delivered a check to Mrs. Johnson for \$8,634.73. It looked like a million dollars to that mother with her five children, for it enabled them to keep the farm free and clear, to pay clean-up bills and hire a hand until the Johnson boys could take over.

There's a Northwestern Mutual agent near you. He can help you plan a life insurance program that can very well be the means of lifting money worries from your life. When he calls, hear what he has to say — especially about Northwestern Mutual's *low net cost* life insurance.

In the meantime, send the coupon below for a copy of Northwestern Mutual's new booklet on financial freedom called, "To You, Mr. Farmer." It tells you the many ways life insurance can help you and every member of your family. No company excels Northwestern Mutual in that happiest of all business relationships — old customers coming back for more.



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Please see that I get a copy of your new booklet called, "To You, Mr. Farmer." I understand that this places me under no obligation.

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